Daily Report

Latin America

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FBIS-LAT-96-102 *24 May 1996*

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International Affairs: Mexican Secretaries at OECD Meeting

PA2305171096 Mexico City XEW Television Network in Spanish 0300 GMT 23 May 96

[Report by Alberto Leon; from the "24 Hours" newscast]

[FBIS Translated Text] A meeting of finance ministers from the 27 member nations of the Organization for Economic Cooperation and Development, OECD, is being held in Paris, France. Finance and Public Credit Secretary Guillermo Ortiz and Commerce and Industrial Development Secretary Herminio Blanco represent Mexico at this meeting. The OECD ministers analyzed Mexico's economic situation over the last year, among other things.

Mr. Ortiz said the financial crisis was a result of dramatic events within a domestic political context and adverse economic conditions, which provoked a reduction in international reserves. Mr. Ortiz said the banking system was one of the sectors most affected by the crisis because it faced capitalization and liquidity problems. He said changes to the social security system will increase domestic savings, allow the accumulation of funds to finance investment projects, and reduce the Mexican economy's vulnerability regarding cycles of foreign capital flow.

Commerce and Industrial Development Herminio Blanco talked about the approval of a mandate for negotiations on a free trade agreement with the European Union. He said the Mexican Government expects to start the talks before summer in Europe. Mexico believes in free trade, and we are also negotiating with Latin American countries and the Asian-Pacific Cooperation Forum, Blanco said.

The main topic at the OECD meeting is the globalization issue.

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Inter-American Affairs: Haiti's Deryce on Caribbean Meeting

PA2305193996 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] We are returning to the meeting in Jamaica of the planning ministers of the 15 countries of the Caribbean. The ties between the European Union and the Caribbean countries regarding the protection of the environment was the main topic at this meeting, according to Planning Minister Jean Erick Deryce who stated that Haiti had begun enjoying the results of this meeting. A sum of 148 million crowns, that is U.S. $190 million, was released by the European Investment Fund within the scope of the regional program. It is too early to identify the sectors that will benefit given that the Haitian Government should submit as soon as possible the list of sectors to prioritize.

[Begin recording] [Unidentified reporter] Concretely, what benefits are there for Haiti?

[Deryce] I can already tell you that Haiti is getting benefits. We already have the first financial agreement that we [words indistinct]. We have already spent 100 million crowns. In fact, what we will get for the next years are some 141 million crowns, which is about U.S. $190 million in [word indistinct] investment fund plus close to 40, or 50 million crowns within the scope of the programs... [pauses] what they call regional programs, this means what... [pauses] programs we can set up with the Dominican Republic that is our neighbor, and also with other Caribbean countries such as Jamaica, Suriname, Barbados, that are all members of Caricom [Caribbean Common Market].

[Reporter] What sector will benefit by this aid?

[Deryce] Well, I cannot yet tell you what sector because the government will have to give its ruling on what is called the national educational program, the program the government will set up. What the program will include is the government's decision on what sectors are priority sectors and what are the so-called concentration sectors and other sectors that are not concentration sectors. I want to believe based on the speeches already made by the president and the prime minister that the sector that will be prioritized is agriculture, but there will be other sectors, too. In the so-called concentration sectors the environment, commerce, tourism, and culture sectors will be included, to mention only a few. [end recording]

Inter-American Affairs: Mercosur-Chile Talks Delayed

PY2305175696 Buenos Aires TELAM in Spanish 0038 GMT 23 May 96

[FBIS Translated Text] Buenos Aires, 22 May (TELAM) — Mercosur [Common Market of the South] and Chile have postponed until June the definition on the percentage of Chilean raw materials required to say that a product is nationally produced.

Diplomatic sources reported that representatives of Chile and Mercosur met today in Buenos Aires to discuss this issue but the lack of agreement caused a postponement of the definitions until the next meeting in Montevideo on 10 June.

The Chilean delegation proposed that products containing 50 percent of Chilean input should be considered Chilean products within Mercosur, in accordance with the current regulations of the Latin American Integration Association (ALADI).

Mercosur wants that figure increased to 60 percent, which is a regulation prevailing in that South American trade association, as a way to counteract competition from merchandise from other regions.

During the week of 10 June, a meeting will be held in Buenos Aires by representatives of the two parties to study the mechanisms to make progress on the signing of an agreement of the "four plus one" type, which will depend on the results of the Montevideo meeting.

The two meetings will be the previous steps for the presidential summit to be held by the presidents of Chile, Argentina, Brazil, Uruguay, and Paraguay on 25 June when the free trade zone will finally be established.

Inter-American Affairs: Ministers on Rio Group Attendance

PY2405035096 Madrid EFE in Spanish 0116 GMT 24 Mar 96

[FBIS Translated Text] La Paz, 23 May (EFE) — The Bolivian Foreign Ministry reported today that 10 foreign ministers of the 14 Rio Group member countries have confirmed their participation in the 15th meeting of the Rio Group foreign ministers, to be held in the city of Cochabamba on 27-28 May.

The representatives of the Rio Group member countries will discuss in Cochabamba the text of the joint declaration that is to be approved at the 10th Summit of Heads of State and Government of the Rio Group, which will be held in Cochabamba at the end of August or beginning of September.

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The Rio Group pro-tempore presidency, which is being exercised by Bolivia, has reported that more than 70 delegates, comprising foreign ministers and coordinators of member countries, will meet in Cochabamba from 25 to 28 May to analyze subjects of regional interest.

Coordinators will meet on 26 May to draft a report on the institutional and political crisis in Paraguay, strategies to combat drug trafficking, and the preparations for the presidential summit. This report will subsequently be submitted to the Rio Group foreign ministers.

The Bolivian Foreign Ministry has announced that Chilean Foreign Minister Jose Miguel Insulza; Sebastiao do Rego Barros, Brazilian Foreign Ministry secretary general; Colombian Foreign Minister Rodrigo Pardo; Ecuadoran Foreign Minister Galo Leoro Franco; Mexican Foreign Minister Miguel Angel Gurria; Panamanian Foreign Minister Ricardo Arias; Paraguayan Foreign Minister Luis Maria Ramirez Boettner [name and title as received]; Peruvian Foreign Minister Francisco Tudela, and Venezuelan Foreign Minister Miguel Angel Burelli will arrive in Cochabamba on 26 May.

The Rio Group representatives will be received by Bolivian Foreign Minister Antonio Aranibar, in his capacity as host and Rio Group pro-tempore secretary.

The Bolivian Foreign Ministry furthered announced that Carlos Perez del Castillo, Uruguayan Foreign Ministry under secretary, will be representing his country.

The names of Costa Rica and Trinidad and Tobago's delegates to the meeting have not yet been confirmed.

The Argentine Embassy in La Paz confirmed that Deputy Foreign Minister Fernando Petrella will replace Foreign Minister Guido Di Tella at the meeting.

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Cuba

Cuba: Declaration Issued Before UN on Plane Incident

PA2405043096 Havana PRENSA LATINA in Spanish 2117 GMT 23 May 96

[FBIS Translated Text] United Nations, 23 May (PL) — At the United Nations today, Cuba stated that revoking Jose Basulto's pilot license confirms the illegal nature of the operations conducted by the "Brothers to the Rescue" terrorist group, which he led, and that the United States knew about it.

The U.S. Federal Aviation Administration's (FAA) decision to revoke Basulto's license came too late and was insufficient, according to the Cuban representative to the United Nations.

This assessment is set forth in a declaration that Bruno Rodriguez Parrilla, Cuba's extraordinary and plenipotentiary ambassador and permanent representative in the United Nations, has presented to UN Secretary General Butrus Butrus-Ghali. Rodriguez asked Butrus-Ghali to make public this official document at the UN General Assembly's 50th regular session.

The communique points out that the adoption of a similar order a few months earlier would have been consistent with federal aviation regulations and with U.S. law, adding that it would have prevented the violation of Cuban airspace, as well as the incidents that occurred on 24 February.

After Cuban authorities had been complaining for several months, two planes of the "Brothers to the Rescue" group were downed on that date for violating Cuban airspace after they had been previously warned to suspend these actions in an attempt to dissuade them.

Rodriguez underscores that the order issued by the FAA on March 1996 clearly established the responsibility of the "Brothers to the Rescue" group for violating civil aviation standards during the illegal flights that this group has made and is still making from U.S. territory.

He emphasizes that the perpetrators themselves have confirmed these activities through their numerous public statements.

"However, the declaration adds, the recently issued executive order that revokes Basulto's pilot's license does not include any measure against the rest of the perpetrators, who are members of that organization."

Cuba regrets that this decision has been made after 27 violations of Cuban airspace have been committed within the past two years, because there were enough evidence and reasons for taking measures of a similar or even different nature from the very first opportunity. Had these measures been taken, these violations would have been prevented.

After underscoring that the investigation of the violation that occurred on 13 July 1995 had been delayed for over 10 months, the declaration points out that the order implies that the United States admits that Basulto had repeatedly committed these actions and that the United States knew about these illegal activities from the very beginning.

In addition, he stated, the declaration reaffirms the fact that both Basulto and other members of that terrorist organization were permitted to fly on two occasions on 24 February 1996, in spite of the fact that he faced an investigation and a federal accusation following the July 1995 events, according to statements from the U.S. Government.

"That order from the FAA revoking his pilot's license, allows us to confirm the responsibility of the FAA and the U.S. Government in the 24 February 1996 incidents," the Cuban declaration says.

In addition, it considers this as evidence that the loss of four human lives that day is the total responsibility of Basulto, in his capacity as chief of the "Brothers to the Rescue" group, for his negligent actions, risking the lives and properties of third parties.

It also places the blame for these events on the Washington government and its aviation authorities for failing to prevent in time, with measures similar to those announced now and others, illegal flights over Cuba.

It adds that said repeated actions and the atmosphere of impunity in which they have operated up until now are irrefutable proof of the violation, from U.S. territory, of the purposes, principles, and objectives of international civil aviation.

The declaration highlights that the ongoing investigation by the International Civil Aviation Organization (ICAO) recognized Cuba's full compliance with all requests made but was forced to suspend its work due to the fact that the United States failed to provide seven pieces of evidence in a timely fasion.

The Cuban declaration stresses this delay, as it pertains to the technical evidence obtained during the events, as well as information on the observation of measures adopted with regard to previous incursions into Cuban airspace.

Now, it remarks, only time and the future conduct of U.S. authorities will tell how good, how coherent, and how serious these intentions are regarding compliance

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with its international juridical obligations, or if this is just a political maneuver before the ICAO session.

The declaration warns that as long as the United States does not completely ban these illegal overflights and no effective measures are adopted to prevent them, it must assume the responsibility for any future incident, and it will be violating the most fundamental norms of international law and international civil aviation.

Meanwhile, the Cuban declaration concludes, it will be a prerogative of the ICAO to recommend and adopt the necessary measures to prevent and punish cases such as this, consisting of the undue and illegal and premeditated abuse of civil aviation.

Cuba: 'No Defections' to U.S. at Olympic Games

PA2405045896 Madrid EFE in Spanish 0014 GMT 24 May 96

[By Eduardo Yero]

[FBIS Translated Text] Havana, 23 May (EFE) — Raul Villanueva, vice president of the National Institute for Sports, Physical Education and Recreation (INDER) in Cuba, today said that during the 1996 Atlanta Olympic Games, "there will be no defection of Cuban athletes to the United States."

Villanueva, together with other sports leaders and athletes, such as Ana Fidelia Quirot and fencers Rolando Tucker and Elvis Gregory, held a news conference today at the International Press Center in Havana, commenting on the Cuban delegation that will compete in Atlanta.

"All Cuban athletes will leave Cuba in the month of July and all of them will return to the fatherland with two great medals: Winning the fifth Olympic place and forming a combative and heroic delegation," Villanueva underscored.

"Our athletes have been competing in many countries of the world and they know that behind them is the entire people of over 11 million people willing to know their results. And they are also willing to give this people that victory," the high-ranking sports official added.

"There will be no defections in the United States. We have a great deal of confidence in all our athletes," said Villanueva, who is also the technical director of the Cuban Olympic delegation.

The Cuban sports leader also ruled out that there will be any provocation to his country's athletic delegation, because there is an Organizing Committee "tasked with guaranteeing the tranquillity of the games."

"Our delegation is going to Atlanta with the desire to compete before our people, because the games will be televised to Cuba live. We are going there very calm and are sure that they (the organizers) will take every measure to avoid any situation."

"We don't plan to attack anyone or to create a problem, but we will not tolerate a slap in the face either. We hope nothing will happen because we have confidence in the measures that the organizers will adopt in this regard," he asserted.

Villanueva reiterated that the intention of Cuba in the Atlanta Olympic Games is to maintain the fifth place obtained in Barcelona in 1992, with 14 gold medals, 6 silver medals, and 11 bronze medals.

He stated that currently 262 athletes are conscientiously preparing for the U.S. Olympic Games, adding that his country's delegation is expected to consist of 189 athletes, 129 men and 20 women. [all numbers as received]

He highlighted that Cuba plans to compete in 13 sports and that the greatest possibilities of winning medals are in baseball, track and field, boxing, fencing, judo, wrestling, gymnastics, women's and men's volleyball.

The official also stressed that there are good chances in swimming, women's basketball, shooting (skeet) [preceding word published in English], sailing, and cycling.

In addition, he said that the average age of the Cuban delegation will be 23. It will have an average school level of university sophomore year, and 89 percent of the athletes will come from the School Games, an important source of athletes for Cuban sports.

Villanueva concluded that under the motto "we will do no less than what the fatherland expects," based on the thought of Cuban founding father Jose Marti, Cuban athletes will fight to maintain the fifth place in Atlanta, "where we will demonstrate what our people and Revolution are capable of doing."

Cuba: Primakov Meets With Castro, Signs Agreement

PA2305142296 Havana PRENSA LATINA in Spanish 1033 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — Russian Foreign Minister Yevgeniy Primakov concludes today a three-day visit to Cuba as part of a tour through Latin America, which included Mexico and will end with a visit to Venezuela on Saturday.

Primakov met last night with Cuban President Fidel Castro and Minister of the Revolutionary Armed Forces Raul Castro at the Russian Embassy.

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Primakov's agenda in Cuba included meetings with Foreign Minister Roberto Robaina, Foreign Trade Minister Ricardo Cabrisas, and Executive Secretary of the Council of Ministers Carlos Lage.

The official meeting between Primakov and Robaina ended with the signing of an intergovernmental cooperation agreement in the fields of education, culture, science, and technology for the 1996-98 period, and a statement of principles on Russian-Cuban relations.

This last document calls for reinforcing the direct ties between enterprises of both countries, negotiating compensation contracts, and developing industrial cooperation, among other aspects.

Speaking for the press, Primakov said the Kremlin's foreign policy includes the relations with Cuba among its priorities and described this country as "an important partner in international affairs."

On his last day of activities in Cuba, Primakov will briefly visit Havana's historic areas and then leave for Venezuela.

Cuba: Primakov on Ties With Cuba, Priorities, 'Stability'

PA2305161696 Havana Radio Rebelde Network in Spanish 1155 GMT 23 May 96

[Report by Ilia Sardinia from the "Doing Radio" program; passages within slantlines recorded, in Russian with passage-by-passage translation into Spanish]

[FBIS Translated Text] Russian Foreign Affairs Minister Yevgeniy Primakov expressed his country's interest in strengthening relations with Cuba at a news conference in the office of the Cuban Foreign Ministry. The head of Russian diplomacy stressed that Russia's desire to strengthen relations with Cuba is not something taking place just now, but is a long-term policy. In this regard he said that links with the island are included in a priority circle of foreign relations with other countries.

Primakov explained that relations between the two countries are on the eve of reaching a new prosperity and announced an invitation to Cuban Foreign Minister Roberto Robaina to pay an official visit to the Russian Federation. He said that the principles on which the relations are forged no longer rest on an ideological base, but continue bonded unselfishly through mutual interest, full equality of rights, and nonintervention in internal affairs.

[Primakov] "The unselfish character you have spoken about, is one of the principles of our future relations. I believe that our relations are on the eve of prosperity."

In reply to a question regarding the Helms-Burton law, Primakov said that it is unacceptable.

[Primakov] "We consider unacceptable when domestic regulations are extended to other states. Our economic relations with Cuba will be guided by the interests of both parties."

The Russian minister referred to a hope to work in joint economic and political spheres, stressing that they face a great field of economic interaction because for many years an infrastructure was created with the Soviet Union's support and now Russian enterprises could participate in the infrastructure's modernization.

[Primakov] "These enterprises, these industries, could be modernized with Russia's contribution and participation. Without discussing political interests, I believe that this has once more been confirmed and reaffirmed during the very intensive and productive talks held today with my colleague, the Cuban foreign minister, who is interested in the stability of the Caribbean basin region. This sphere is also of interest to us."

Regarding the changes taking place on the island, Primakov said that his country considers that any reform taking place should concern only the Cuban people.

Cuba: Castro, Primakov Attend Russian Embassy Reception

PA2305142196 Havana Radio Havana Cuba in Spanish 1300 GMT 23 May 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] President Fidel Castro attended a friendly reception Wednesday night at the Russian Embassy in Havana on occasion of the visit to Cuba by Russian Foreign Minister Yergeniy Primakov. Army General Raul Castro, minister of the revolutionary armed forces, and other Cuban Communist Party politburo members also attended the reception.

Castro and Primakov sustained a lively conversation about sports, among other topics. They spoke, in particular, about the current men's world volleyball league and the Cuban team training to compete at the Atlanta Olympic games.

Primakov arrived in Havana on Tuesday at the invitation of his Cuban counterpart, Roberto Robaina, with whom he has signed two important agreements. One agreement is on cooperation on culture, education, and technical science until 1998. The other is a protocol on the principles that will govern their bilateral relations. During a meeting with Foreign Trade Minister Ricardo Cabrisas, Primakov analyzed the progress of the trade and economic agreements between the two countries.

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He also met with Ricardo Alarcon, president of the National Assembly of the People's Government, and Vice President Carlos Lage.

During a Havana news conference, Primakov expressed Russia's interest in reactivating relations with Cuba and assured that his country will not yield to U.S. pressures regarding its policy toward Cuba. The Russian foreign minister has also reiterated Moscow's opposition to the anti-Cuban Helms-Burton law, which he has described as unacceptable.

Cuba: Primakov Meets With Castro, Delivers Yeltsin Letter

PA2305181996 Havana PRENSA LATINA in Spanish 1638 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — Cuban President Fidel Castro received today Russian Foreign Minister Yevgeniy Primakov, who will conclude his three-day visit to this capital in a few hours. The visit is intended to reactivate bilateral ties.

At the beginning of the official talks, which also included the presence of Revolutionary Armed Forces (FAR) Minister Raul Castro, Primakov delivered to his host the text of a message from President Boris Yeltsin, with "best wishes for our relations and other issues."

The Russian representative and the Cuban leader met at the Russian Embassy last night and talked, in an atmosphere termed as friendly, about current issues such as sports, particularly the men's world volleyball league and the Cuban team's preparation for the Atlanta '96 Olympic Games.

The event was also attended by the Cuban FAR minister, as well as Ricardo Alarcon, president of the National Assembly of the People's Government, and Foreign Minister Roberto Robaina, among other officials.

Primakov's working agenda has also included meetings with Robaina, Vice President Carlos Lage, in charge of current economic reforms, and Foreign Trade Minister Ricardo Cabrisas.

Within the context of official contacts, the Russian foreign minister's talks with his Cuban counterpart concluded with the signing of a 1996-1998 intergovernmental agreement for cooperation in the education, culture, science, and technology sectors, as well as a declaration of principles for the Moscow-Havana ties.

The latter document calls for advocating direct ties between enterprises in the two countries, the negotiation of compensation contracts, and the development of industrial cooperation, among other issues.

Primakov arrived in this capital on 23 May, coming from Mexico, the first stop in a tour that will conclude on 25 May in Venezuela. The tour is intended to renew ties between Russia and Latin America.

Another reason for the trip is to exchange views on disarmament, world security, maintenance of peace, and cooperation between international organizations for the struggle against terrorism and drug trafficking.

Cuba: Spokesman Notes 'Normalization' of Ties With Russia

PA2405012196 Havana PRENSA LATINA in Spanish 2012 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — Russian Foreign Minister Yevgeniy Primakov's visit to Cuba is an indication that the normalization of bilateral relations is consolidating after a long and stormy period, said a Foreign Ministry source today.

At a news conference, Cuban Foreign Ministry Spokesman Miguel Alfonso stressed the importance of the message that Primakov delivered yesterday from Russian President Boris Yeltsin to Cuban President Fidel Castro.

Alfonso also noted the importance of the invitation given to Cuban Foreign Minister Roberto Robaina to visit Moscow and the signing on 22 May of a cooperation agreement and joint declaration, which reflect the strengthening of bilateral ties.

Primakov's remarks in Mexico City and Havana regarding the status of relations between Russia and Cuba pointed out that there are solid factors that facilitate the ties, Alfonso said, adding that this confirms that ties maintained for 30 years cannot easily disappear.

Alfonso said it is amazing how in only five years — a very brief period of history — ties between the island and the Russian Federation and other states of the former European Socialist bloc have normalized "under different circumstances, of course."

"I believe there is still more where we can advance, and we will," said Alfonso, as he praised the results of Primakov's visit to Cuba, including the establishment of periodic consultations between the Foreign Ministries of both countries.

Alfonso also stressed the fact that both governments share the same position in regard to their commitment to a total respect for human rights and fundamental liberties, as stipulated by the UN Charter and other international treaties.

He also referred to the current agreement between Havana and Moscow in favor of resolving any difference

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by peaceful means and the fact that both countries reject the imposition of economic measures to subjugate other nations, such as the anti-Cuban Helms-Burton law.

Alfonso emphasized the broadness of the tal'ks that were held with the Russian delegation, which departs for Venezuela today, stressing that no subject was excluded, without giving any further details.

Cuba: Castro Comments on Primakov Visit, ICAO Meeting

PA2405032096 Havana Radio Havana Cuba in Spanish 0000 GMT 24 May 96

[Report by Barbara Betancourt]

[FBIS Translated Text] Cuban President Fidel Castro has bid farewell to Russian Foreign Affairs Minister Yevgeniy Primakov at the Havana International Airport. Primakov concluded his visit to Cuba this afternoon, from where he traveled to Venezuela. Both officials already met yesterday morning.

This reporter had the opportunity to hear statements by the top Cuban leader on this visit, the first paid by a Russian foreign affairs minister to our country.

[Begin recording] [Castro] We already knew Foreign Affairs Minister Primakov. He came to Cuba one and a half years ago. He is a very nice, kind, and agreeable person, an intelligent man.

We exchanged views about topics of common interest, international interest. I believe the outcome of this meeting is very positive, given the role that Russia should play in the modern world.

[Betancourt] Commander, are Cuba and Russia redesigning relations at this time?

[Castro] No, we cannot talk about a redesign of relations, because we are living under different circumstances.

[Betancourt] That is precisely why there has been...

[Castro] There has been a development of relations on new grounds. But they are important for our country, for the world, because the world is complicated and has many problems. We must work hard to find solutions to these problems.

[Betancourt] Commander, [words indistinct]?

[Castro] This includes the environment, climate, and everything. Look, they are now going to leave... [pauses] I don't know whether they will leave through the west or east. I don't know in which direction the wind is blowing now. [Words indistinct] I hope they leave in that direction.

[Betancourt] Have you also pledged to work in the defense of the environment, according to your statements?

[Castro] I believe we must work on everything. As I said before, there are too many problems, and we require cooperation from everyone. As you know, they behaved in a very friendly and honorable manner regarding the famous 24 February incident. And we are thankful for that. There are common interests in all the world...

[Betancourt] Commander, they also changed their vote at the Human Rights Commission in Geneva. They abstained.

[Castro] [Words indistinct] very important. This must be taken into consideration. It helped create conditions for the success of the visit in general.

[Betancourt] How do you assess this visit?

[Castro] Good, very good. We knew this would be a very good visit beforehand...

[Betancourt, interrupting] [Words indistinct] a message from President Yeltsin?

[Castro] Yes, it is visual [words indistinct] important aspects [words indistinct] foreign ministers [words indistinct] greetings and friendship.

[Betancourt] He has even invited Foreign Minister Robaina to visit Russia after the elections, showing that relations with Cuba are not going to be temporary but strategic.

[Castro] Yes, they insist that relations are not temporary, that they are permanent and based on principles. I believe the role they played following the 24 February incident and other positions that they have maintained are very important.

The desire to restore economic exchange on a new basis, as is logical, is very important. For us, it is indispensable to take into consideration the importance of that country, a permanent member of the UN Security Council. We must consider its power, its clout. We cannot be happy with the idea of a unipolar world under the control of the United States.

Many people in the world hope that they will not be governed. They prefer a better balance in international relations. In recent times, there were very good times, there were critical times, and there were times of [words indistinct].

[Betancourt] Commander, something that has nothing to do with this visit but that is pending is the International Civil Aviation Organization (ICAO) meeting. What does Cuba expect from this meeting?

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[Castro] Well, Cuba expects the usual thing, equanimity and patience. Cuba always expects justice, although justice is not always served. I believe that the ICAO decision will be a good test for the ICAO, its seriousness and moral authority. If we go by the facts, they must be recognized as they unfolded. We must wait, without skepticism or illusions, for the ICAO's decision. [end recording]

These were statements by Cuban President Fidel Castro shortly after he bid farewell to Russian Foreign Affairs Minister Yevgeniy Primakov in Havana. Primakov paid a three-day visit to Cuba as part of his first tour of Latin America, which began in Mexico and will end in Venezuela.

Cuba: Sale of Mexican Dailies Allowed at Foreign Stands

PA2405032596 Mexico City NOTIMEX in Spanish 1632 GMT 22 May 96

[FBIS Translated Text] Havana, 22 May (NOTIMEX) — Today, the local company World Services Publications (WSP) disclosed here that as of this week, three Mexican dailies will be sold at the foreign newspaper stands located in Havana's tourist districts.

The Cuban company that imports foreign newspapers and magazines indicated that the daily issues of Mexico City's EL FINANCIERO, LA JORNADA, and EXCELSIOR will arrive in Havana every day and will be sold to the public, which must pay in dollars.

The Mexican newspapers form part of a new publications promotion campaign and will be an addition to the list of international publications that have been available for sale in Havana and the Varadero beach resort, 140 km east of Havana, for two years.

Patricia Cabrera, member of the WSP Commercial Department, told NOTIMEX that this increase in the supply is due to the market's expansion and the warm reception this service has had in Cuba's tourist and business districts.

Theoretically, the foreign publications are also available to the Cuban population, but in practice, they are sold at exorbitant prices. The retail price of the cheapest foreign publication is $2, which, in local currency, equals a week's salary at the average pay.

The new promotion package includes Paris' LE MONDE and will be sold along with the list of publications already available in hotels and tourist stores in Havana, including Madrid's EL PAIS, HOLA, and CAMBIO 16 and Milan's CORRIERE DELLA SERA.

The U.S. publications USA TODAY, INTERNATIONAL HERALD TRIBUNE, NEWSWEEK, TIME, and US NEWS AND WORLD REPORT are among those publications available for sale in Cuba.

Other U.S. newspapers such as THE MIAMI HERALD, EL NUEVO HERALD, DIARIO LAS AMERICAS, and THE WALL STREET JOURNAL, as well as London's newspaper THE FINANCIAL TIMES are available only to subscribers.

Two years ago, in keeping with its strategy of opening up to foreign investment and of tourism promotion, Cuba lifted its prohibition on the entry of Western press into its territory.

Up until the last part of the 1980's, only foreign publications coming from the dismantled Soviet Union and its allies, including Vietnam, North Korea, and the communist East European governments, circulated in Cuba.

In 1989, Cuba also banned the entry of Moscow's NEW TIMES and MOSCOW NEWS, two Soviet publications which, at the time, had a leading role in the glasnost (transparency) policy, the opening in the media promoted by deposed leader Mikhail Gorbachev.

Cuba: Dam Rebuilt in Santiago de Cuba To Help Shortages

PA2405041596 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 18 May 96

[Report by Maria del Carmen Diaz; from the "NTV" newscast]

[FBIS Translated Text] We will see how a vast investment program is being implemented in Santiago de Cuba aimed at supplying water not only to the province's capital but to the municipalities most affected by water shortages.

San Luis initiated this water supply program by enlarging the Rio Grande aqueduct, a water supply source dating back to 1917. The construction work included dredging the dam and the construction of a cement wall on top of an existing base, which dated back to that time. Now, the old micro-dam can store 42,000 cubic meters of water, as compared to its previous capacity of only 20,000. It is the first to be completed in Cuba by the Hydraulic Resource Institute. The institute is determined to rebuild these engineering jewels, built decades ago.

The town of San Luis is supplied through Rio Guaninicun's pumping system and — to a lesser degree — from the Rio Grande dam, which delivers its supply using gravity. This expansion is very important because it

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will attenuate the critical situation that is affecting the municipality's capital, without utilizing fuel. This is the beginning of a vast investment process that will cover the area's needs.

Cuba: General Explains Earthquake Drill in Santiago

PA2305233796 Havana Radio Rebelde Network in Spanish 1155 GMT 22 May 96

[Interview with Brigadier General William Mastrapa, chief of the Santiago de Cuba Provincial Defense Staff, by Carlos Sanabria Marrero, in Santiago de Cuba; from the "Doing Radio" newscast — live]

[FBIS Translated Text] [Sanabria] I am talking here with Brigadier General William Mastrapa, chief of the Santiago de Cuba Provincial Defense Staff, on the preparations for the Meteor 96 exercise next Saturday. The purpose of this exercise is to organize and conduct drills for the population and the economy in the event of a big earthquake.

[Mastrapa] We also expect the participation of the Provincial Defense Council in this Meteor 96 exercise, together with the nine municipal defense councils, all institutions from the territory, mass organizations, and the Union of Young Communists — namely organized students, and special combat and military units. In sum, we expect the entire Santiago de Cuba population to take part in this exercise.

And as part of the Meteor 96 exercise, we have also conceived a set of practical measures that will be executed during the drill. These measures will be carried out by the telephone company, the electricity company, community groups, health sectors, as well as the aforementioned organizations. We will conduct this drill under specific conditions, simulating effects caused by an earthquake. This will allow us to be better trained and prepared to face such a contingency.

In general, these are the fundamental aspects of the drill. The drill will begin at 0700 and will conclude at approximately 1500. In several areas of the province, particularly in the Santiago de Cuba Municipality as well as other municipalities, drills will also be held in apartment buildings. These drills consist of population evacuation, first aid, [words indistinct] measures, and others. These are the main activities.

[Sanabria] We thank Brig. Gen. William Mastrapa, chief of the provincial defense staff here in Santiago de Cuba. He has just given us an overview on the preparations in this province for the Meteor 96 exercise, which will begin at 0700 on 25 May. Thank you and good day.

Cuba: Politburo Members' Activities Through 23 May

PA2405032496

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 23 May.

According to a Havana report datelined 18 May, Politburo members Maria de los Angeles Garcia and Jose Ramon Balaguer, as well as Council of State Secretary Jose Miyar Barruecos, attended a special ceremony in Havana marking the reorganization of the Cuban Academy of Sciences, which will soon commemorate its 35th anniversary. (Havana PRENSA LATINA in Spanish 1655 GMT 18 May 96)

Interior Minister Corps General Abelardo Colome Ibarra, who is also a member of the Politburo and the Council of State, presided over the graduation ceremony of the Hermanos Martinez Tamayo Military School on the Interior Ministry's 35th anniversary. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 19 May 96)

Sugar Industry Minister and Politburo member Nelson Torres visited various sugar mills in Manati Municipality in Las Tunas Province. (Havana Radio Rebelde Network in Spanish 1700 GMT 20 May 96)

On 20 May Politburo member Jorge Lezcano met with 15 Bolivian congressmen who are currently visiting Cuba. (Havana Radio Havana Cuba in Spanish 0000 GMT 21 May 96)

Haiti

Haiti: Canadian Officials Visit, Meet President Preval

PA2205155996 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] Canadian officials are visiting Port-au-Prince. Lloyd Axworthy and Pierre Pettigrew, ministers of foreign affairs and international cooperation, respectively, met with President Rene Preval on the morning of 20 May. Their discussion focused on the future of the UN Mission in Haiti [UNMIH]. The Canadian delegation's visit to Haiti is part of a tour the ministers are making in four countries of Latin and South America. [passage omitted]

Regarding a possible extension of the UNMIH, President Rene Preval stated that the government is assessing the situation currently prevailing in the country to make

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a joint decision with the concerned parties. However, the international community through the United Nations has a say in the matter, according to the statements of President Rene Preval.

[Begin Preval recording, in Creole] We will assess the situation with all parties so we can know what decisions to make because we will not make this decision on our own. The international community through the United Nations... [sentence incomplete as heard] [end recording]

Haiti: Cooperation Agreement Signed With Canada 19 May

PA2305011096 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] A cooperation agreement between Canada and Haiti was signed on 19 May at the National Palace. This agreement is aimed at rebuilding schools, nursing homes, and court buildings in Haiti for an amount of 4.75 million Canadian dollars. After the meeting of donor countries in May 1995 in Port-au-Prince, the Canadian and Haitian officials agreed on the following: This commitment constitutes a declaration of intent linked to the general agreement of cooperation and development.

The Canadian Agency for International Development, ACDI, represents the agent in charge of this agreement, which is also aimed at the purchase of furniture for offices and hearing rooms in 14 court buildings. Pierre Pettigrew, Canadian minister of international cooperation, said that he was happy to see that his country is contributing to the renovation of several court buildings in Haiti.

Haiti: Friendship Association With Cuba Founded 19 May

PA2205155896 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] A Haitian-Cuban friendship association has been founded in Port-au-Prince. A group of Haitian citizens from various sectors signed on 19 May the statutes of an organization called Haitian-Cuban Society whose purpose is to promote cultural, economic, scientific, and commercial exchanges between the Haitian and Cuban peoples.

Speaking during a ceremony that unfolded in the presence of Haitian lawmakers and personalities close to the current government, Southeastern Senator Maxime Roumer stated that 19 May marks a double anniversary, that of the death of Cuban national hero Jose Marti and of Haitian fighter against the U.S. occupation of Haiti in 1915, Benoit Batraville. Recalling the natural friendship of the Haitians for the Cubans, the senator pointed out the very difficult situation being experienced by the Cuban people who continue, according to him, to face a cruel embargo imposed by the United States for three decades, and reinforced lately by the Helms-Burton law coming from Republican senators hostile to the Cuban regime. We are at the crossroads today, Roumer stated, recalling that by defending the sovereignty of the Cuban people faced with the constant attack of the United States we defend ourselves and other Latin American countries.

Juan Carlo Martial, who was presiding over a Cuban delegation present at this ceremony, addressed on behalf of the Cuban Institute of Friendship with the Peoples, ICAP, a message to the Haitian people in which he indicated that the decision to create in Haiti the Haitian-Cuban association is the faithful reflection of the desire of both peoples to consolidate and to develop brotherly relations established centuries ago and kept alive thanks to the efforts of the men and women of the two countries.

[Port-au-Prince Radio Metropole in French 1045 GMT and 1600 GMT 21 May 96 reports that the Haitian personalities who are members of this association include Anselme Remy, former president of the Provisional Electoral Council; Lise Marie Dejean, former minister of women's affairs; Deputies Alix Fils-Aime and Gary Guyto, as well as representatives of the Haitian cultural world]

Haiti: President Preval Visits Commerce Ministry 20 May

PA2205160096 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] President of the Republic Rene Preval is determined to put an end to the problem of high cost of living, the main heartbreak of the population at this time. In this sense, he made an inspection and information visit to the Ministry of Commerce on 20 May to inquiry about the evolution of Haitian commerce. In a statement to the press, the head of the executive power stated that his visit to the Ministry of Commerce had two purposes: First, to get information on the price of some products on the international market and, to a lesser extent, to reduce the prices of some essential products in order to put an end to this problem which is worsening. [passage omitted]

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Haiti: Leblanc on Special Session at Parliament 20 May

PA2205160196 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] The special session of the 46th regular session was opened on 20 May. National Assembly President Edgard Leblanc encouraged the senators and deputies to step up their efforts in order to complete the works of the special session. Senator Leblanc wished the second special session to be essentially devoted to discussing and voting the law on the 1996-1997 budget. Consequently, the president of the National Assembly invites the executive power to bring in the laws on public finances before the Parliament, at the latest, at the end of the month of July. Let us listen to Sen. Edgard Leblanc.

[Begin Leblanc recording] In addition, the agenda is full: Two fiscal laws, not to mention the discussion and the vote of the law on the budget; two laws relating to the management and the development of the territorial communities; two laws dealing with the reform of the public administration and the reform of the state-owned enterprises, respectively. Finally, we are invited to ratify two loan agreements signed between the Haitian Government and the Inter-American Development Bank. Thus, we have a significant amount of work ahead of us. When one's time is so short, words must give precedence to actions. We urge the honorable lawmakers to step up their energies so we can complete this important agenda in this short time. [end recording]

Haiti: Executive Branch Said Delaying Vote on Budget

PA2305010796 Port-au-Prince Signal FM Radio in Creole 1130 GMT 22 May 96

[From "The 0730 Appointment Newscast"; passage within slantlines in French]

[FBIS Translated Text] Legislators have unanimously rejected the executives' convening of a session of the Chamber of Deputies on 21 May. They have rejected the convening of the session because, according to them, its objective does not reflect the priority needs of the nation.

Momprevil Saint-Juste, president of the Chamber of Deputies Budget Committee, has said that the vote on the national budget has been delayed because several fiscal laws remain blocked by the executive. The following is a report by our colleague Yvener Millien.

[Millien] It is not the parliamentarians who have blocked the national budget but the executive. This was stated by Deputy Momprevil Saint-Juste, president of the budget committee, who goes on to say that he has noted that during the first six months of the fiscal year, there was a deficit of 1.5 billion gourdes, whereas the national budget provided for a deficit of 574 million gourdes. The president of the budget committee contends that various fiscal laws should accompany the budget and that the executive has not yet sent them. He states that it is impossible for them to vote on a budget of credits. The government must clearly state where the money to finance the expenditures will come from.

[Begin Saint-Juste recording] There are two players with regard to the budget: The executive branch, which takes the initiative on laws, and the Parliament, which votes on them, just like it does with any other law. / It is thus up to the government to send us the set of documents necessary for us to vote on the budget./ As these documents have not yet reached us, we cannot vote on the budget. [end recording]

[Millien] For his part, Deputy Jean-Simon Guignard asserts that he is disappointed by the convening of the session, because he thought the executive branch would consider the national budget as its first priority. Deputy Guignard added that the executive takes only its own interests into account, without regard for the interests of the nation.

[Begin Guignard recording, in progress] ...the budget should be included in, be part of the session, with some urgency. But I am telling you that the budget is not part of it, and in the meantime, we have national policemen who have not received their salaries for two months. We have the Communal Section Administrative Councils [CASEC's] and the city halls whose employees have not received their salaries for four to five months. Almost everywhere you go in my district you hear that the budget has been blocked by Parliament. Yet, I can tell you that here we have the special session, and the budget is not part of it. [end recording]

[Millien] At the 21 May session, the deputies unanimously rejected the convening of the session by the executive, while expecting it to convene another one. This issue deserves to be followed up.

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Mexico: Secretary Views NAFTA Meeting on Helms-Burton Law

PA2305145196 Mexico City NOTIMEX in Spanish 2031 GMT 22 May 96

[FBIS Translated Excerpt] Washington, 22 May (NOTIMEX) — Mexican Commerce and Industrial Development Secretary Herminio Blanco announced here today that Canada and Mexico will examine together with the United States the effects of the Helms-Burton law on the trilateral trade agreement before taking steps.

Blanco told NOTIMEX in an interview that it "will be a meeting to attempt to understand and to ask for explanations on the way they will start enforcing the Helms-Burton law; many things are still undecided, and this is why we need this meeting."

The meeting mentioned by the Mexican official will take place in Washington on 28 May and will be held between trade representatives of NAFTA member countries.

Blanco, who took part in the 29th meeting of the Pacific Basin Economic Council (PBEC) in Washington, said that the possible measures Canada and Mexico take regarding the Helms-Burton law will depend on the outcome of the trilateral meeting.

"If after this meeting we see that we have not advanced, we could then decide on a meeting between the secretaries (of commerce of the three NAFTA signer countries), and last we could decide if a panel should be formed," the Mexican official said.

The panel formula is part of NAFTA's mechanism for resolving disputes, which the three countries implemented in 1994, in order to liberalize their commercial exchange. This is now affected by the Helms-Burton law.

This legislation was enacted on 12 March to reinforce the U.S. embargo against Cuba, in effect for the past 33 years, in reprisal for the Cuban downing of two small civilian airplanes manned by Fidel Castro government opponents.

The United States claims that the action took place within international airspace, but Cuba says that the small airplanes were brought down while flying without permission over its waters. The case is in the hands of the International Civil Aviation Organization.

The Helms-Burton law allows suing in U.S. courts for the return of properties confiscated in Cuba since the triumph of the revolution in 1959 and denies the entry into the United States of people who "traffic" in those properties or who do business with the island. [passage omitted]

Tuesday's meeting will be the second of its kind after trade representatives from the three countries met on 26 April in Washington, which was the first meeting to announce the implementation of the Helms-Burton law.

Mexico: Primakov on Russia's International Role

PA2305175696 Mexico City LA JORNADA in Spanish 21 May 96 p 14

[Report by Jesus Aranda]

[FBIS Translated Text] Russian Foreign Minister Yevgeniy Primakov yesterday pointed out his government's "serious concern" over the enforcement of the Helms-Burton law and said that "the tension around the Cuban coast seems to be the last chunk of ice left after the Cold War." That law establishes "a dangerous precedent" by extending the U.S. internal jurisdiction to international economic and commercial relations, he said.

During a lecture prior to signing several cooperation agreements with Mexico, the Russian official regarded placing his country "in history's backyard" as "wrong, unwise, and dangerous" because, although Russia lost most of its economic, political, and military leadership when the Soviet Union disappeared, it is premature to exclude if from the main players in the international arena.

In addition, during a news conference, Mexican Foreign Secretary Jose Angel Gurria pointed out the new stage in the relations between the two countries, and Mexico's interest in strengthening commercial ties with Russia.

Gurria underlined the Mexican Government's interest in exploring the possibility of buying Russian military equipment, although, he said, this purchase will depend on prices, terms, and convenience for Mexico.

Asked about the intention to buy helicopters and other armament from Russia, Gurria said that any action in this sense will depend on the procedures established by the Mexican legislation on the matter, just as it is done with all other federal government's purchases abroad.

During Primakov's speech, which was attended by Gurria, and at a news conference later, he said the Russian Federation wants to reinforce its economic and commercial relations with Latin America and Mexico in particular. He underlined Mexico's important role in the international arena. It would be a gross error to disregard this role, he added.

During the question-and-answers session after the conference, Gurria asked Primakov about the coming elections for president in Russia. Primakov stressed President Boris Yeltsin's increasing possibilities of getting reelected because, he said, this reelection guarantees that

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the democratic and economic reforms will continue. Primakov said that reforms in Russia are irreversible and that no political party can turn Russia away from reforms. Maybe someone wants to do this, but that this is "impossible."

He also said that his country has already overcome "the critical moment" of the negative costs of the economic transformations. He illustrated by saying that inflation dropped from 35 percent monthly in 1995 to 2 percent at present.

In a lengthy speech, Primakov said that at the end of the Cold War there were neither winners nor losers and that his country's military power, comparable only to that of the United States; scientific-technological, intellectual, and industrial potential; its huge territory, and the degree of education of its citizens, all of which has made it possible for his country to overcome the most difficult crisis and prepare for a brighter future, should not be ignored.

Primakov commented on the process of Russia's integration with former Soviet nations, in particular Belarus, Kazakhstan, and Kyrgyzstan.

He also referred to the ongoing solution of the interethnic crisis in Russia and other former Soviet nations. He explained, however, that the Russian government will negotiate with "all" those who do not have the country's disintegration as their objective, those who do not share separatist views. "All aspects of Chechnya's future as part of Russia will surely be discussed with these people," he said.

To underline the role that his country is called to play in the international arena, Primakov said: "In different world regions there exists the desire for Russia to keep playing a serious and important role in international affairs. In addition, this desire is based, not so much on nostalgia as on the understanding of a new correlation of forces in a world context."

He pointed out that Russia opposes a unilateral hegemony because this presupposes depriving some states of their sovereignty. He pointed out the detente attained with the United States but warned about the serious differences that persist, particularly on security. The present challenge for these two countries is "to do everything possible to keep these differences from becoming antagonism."

Regarding Russia's interest in Latin America, Primakov said that this continent is a promising commercial and economic partner because the increasing business in the region "meets our long-term interests."

He mentioned cooperation possibilities in advanced science and technology, joint space projects, extraction of natural gas, mining industry, the peaceful use of atomic energy, the electric power generation industry, and construction of hydroelectric plants, etc.

In addition, Primakov and Gurria signed bilateral cooperation agreements, a Cooperation Agreement for Exploration and Use of Cosmic Space for Peaceful Purposes, a Cooperation Agreement for Fighting Drug Traffic and Addiction, and a Cooperation Agreement on Culture, Education, and Sports.

Primakov and Gurria reported that Mexico and Russia will continue to make the necessary contacts to sign in the near future an agreement to prevent double taxing and a commercial agreement to improve the relations between the two countries on the matter.

Mexico: Central America, Mexico Standardize Drug Laws

PA2405005296 Mexico City EL FINANCIERO in Spanish 21 May 96 p 44

[Report by Carlos Benavides Ortiz]

[FBIS Translated Text] Mexico, the Central American countries, and the United Nations have laid the foundations for standardizing the laws of those countries against money laundering via the signing of a memorandum of understanding to promote cooperation in the fight against drug trafficking.

A follow-up of the commitment made by the presidents of Mexico and Central America, who participated in the San Jose Meeting in February, the agreement seeks to tackle, at the subregional level, the problems related to the oversight and prevention of the production, consumption, and illegal trafficking and use of drugs, as well as money laundering, and other related crimes.

With the signing of this memorandum, the governments of the signatory countries will try to make progress in the design of compatible laws to ease the standardization of drug-related crimes.

Jose Angel Gurria Trevino, head of the Foreign Relations Secretariat (SRE), and Antonio Lozano Gracia, head of the Attorney General's Office (PGR), signed the memorandum on behalf of Mexico.

Each one of the ambassadors of the six Central American countries accredited in Mexico, signed the memorandum on behalf of their countries, as did Giorgio Giacomelli, executive director of the UN Program for International Drug Oversight [Programa de Naciones Unidas para la Fiscalizacion Internacional de las Drogas].

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Foreign Secretary Gurria remarked: "The signing of the memorandum of understanding by our governments and the United Nations to tackle the production, consumption, and illegal trafficking of drugs, as well as money laundering is a clear demonstration of the serious nature of our commitment to fight this scourge by coordinating actions and strategies. This commitment will be based on a balanced approach that covers all the aspects of the problem.

"Drug organizations have no nationality or flag. These organizations are made up of persons who operate jointly in several countries at the same time and have developed in countries that produce drugs, in countries that act as transit points, as well as in the leading consumption markets.

"Their (the drug cartels) only objective is to engage in illegal activities for their benefit; therefore, they, and not the governments or people, are our enemies."

The Mexican Government is determined to launch an overall strategy, "developing its structure and domestic capabilities to fight the production, trafficking, and demand for illegal drugs, acquiring the appropriate equipment and reinforcing training."

In an interview granted after the ceremony, Gurria indicated that the agreement will be used to exchange information and coordinate the laws of the signatory countries to halt money laundering.

"Concerning money laundering, we must undertake efforts to achieve a standardization of the crimes.

"If all the countries have penal codes that standardize the crime and they are reasonably similar, we will be able to counter it in similar ways.

The foreign secretary pointed out: "If we have a considerable capability to exchange information in a timely and accurate way, we will be more capable of fighting this crime, which is becoming a global and transnational phenomenon, through increased cooperation."

Giacomelli, the ambassadors of the signatory countries accredited in Mexico, and the heads of the SRE and the PGR attended the ceremony to sign the memorandum.

Mexico: Migrant Protection Group To Work in Agua Prieta

PA2305150496 Mexico City NOTIMEX in Spanish 0231 GMT 21 May 96

[FBIS Translated Text] Hermosillo, 20 May (NOTIMEX) — The Mexican Government Secretariat, the National Migration Institute, and the state government of northern Sonora State, signed an agreement today that will allow the Beta migrant protection group to operate in the city of Agua Prieta.

Cesar Becker, under secretary of Population and Immigration Services of the Government Secretariat, said that the group joins others that operate in Mexico's northern and southern borders, to protect migrant's human rights, property, and personal safety, regardless of nationality.

Mexico is a country that generates migration to the United States, but also receives migrants, and is a country in transit. This greatly complicates the handling of the migratory phenomena inside national territory, especially along the border, he said.

National Migration Institute Commissioner Fernando Solis said that Agua Prieta has, in recent months, become one the fastest growing places where migrants concentrate, including those deported and those hoping to enter the United States.

He explained that the first migrant protection groups were the Beta in Tijuana, Baja California State and in Nogales, Sonora State; followed by the Ebano in Matamoros, Tamaulipas State; Alfa in Tecate, Baja California State; Beta Sur in Chiapas; and now Beta in Agua Prieta, Sonora State.

Governor Mario Fabio Beltrones clarified that the new Beta group is not aimed at discouraging migratory flows, but instead, to give security and try to seek punishment for all types abuse of authority by officials on both sides of Mexico's northern border.

Fabio Beltrones, said during the agreement signing that agreements will need to be established with national and U.S. entities to fight impunity and turn border security into a reality.

Massive migration is not a desirable phenomena and cannot be discouraged or avoided "from one day to the next" because of the complexity of its root causes, he explained.

"If some fellow citizens are convinced about seeking better luck elsewhere, we cannot use legal or moral arguments to prevent their migration. What we can do is offer them security and respect them as people," Beltrones said.

The agreement was signed by the governor and government and migration officials, as well as by Agua Prieta Mayor Oscar Ochoa Patron and Nogales Mayor Abraham Zaied, in front of Mexican customs, military, and diplomatic service officials.

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Mexico: EZLN Accusations of Threats Cause Reaction

PA2405032796 Mexico City Radio Red Network in Spanish 2300 GMT 20 May 96

[Report by Antonio Guzman; from "The Night Monitor" newscast]

[FBIS Translated Text] The Government Secretariat has responded to accusations by the EZLN [Zapatist National Liberation Army] that the government delegation in Chiapas State has threatened the EZLN and requested secret talks through the National Mediation Commission [Conai]. The secretariat's eight-paragraph communique bluntly rejects ever having channeled such messages to the Zapatists. It assures that the misunderstanding probably stemmed from Conai's lack of proper communication. Point one of the communique specifically disagrees with the tone and assertions of the EZLN's communique and believes they ar ased on a distortion of the facts when Conai conveyed them to the EZLN. The secretariat points out that Conai's good faith in maintaining fluid communication channels and its commitment toward peace in Chiapas should be evident. It has, therefore, asked Conai to explain whatever message it has conveyed to the EZLN so as not to cloud the peace talks. The secretariat underscores that it has never threatened the EZLN. It had only asked Conai to remind the EZLN of the need to respect the agreed deadlines so the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas will remain valid. The secretariat explains that the federal government has never requested secret meetings or agendas during meetings with the EZLN and adds that whenever that kind of meeting was proposed, the answer has been to demand a clear agenda for discussion. The communique reminds the EZLN that the executive branch is the government's only official voice, as the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas stipulates. It adds that war is still at stake in Chiapas if the EZLN does not truly commit to the Law for a Dialogue, Reconciliation, and Honorable Peace in Chiapas. It further reminds the EZLN that the government has always had the resolve to keep the peace process going and seek solutions to the many conflicts that develop in the communities.

Mexico: Cocopa's Response to EZLN Communique on Dialogue

PA2305155196 Mexico City XEW Television Network in Spanish 0300 GMT 22 May 96

[Report by Juan Jose Prado; from the "24 Hours" newscast]

[FBIS Translated Text] The Congress of the Union's Harmony and Peace Commission [Cocopa] in Chiapas has issued a communique addressed to the EZLN [Zapatist National Liberation Army]. The communique criticizes the armed group for refusing to talk with legislators, refusing to consider new proposals that seek solutions, and not going through communications channels established through the National Mediation Commission [Conai].

The communique, signed by PRI [Institutional Revolutionary Party], PAN [National Action Party], PRD [Party of the Democratic Revolution], and PT [Labor Party] legislators, was read by PT Deputy Jose Narro Cespedes.

[Begin Narro recording] We also say that Cocopa believes the law still represents the best guarantee and its enforcement is unobjectionable. Also, no one will suffer persecution by any branch as long as a dialogue is under way. Cocopa's presence will not legitimize any action that opposes this mandate. [end recording]

Narro Cespedes added:

[Begin Narro recording] In our opinion, the dialogue is a national task of the utmost importance. In any case, supporting society's hopes for peace is better than referring to the imminence of war. [end recording]

The Cocopa members' communique to the EZLN rejects the fact that the EZLN's latest communique casts doubts about the legislators' impartiality and questions the institutionality of certain members. The Cocopa meeting was held in its headquarters, located at the Senate chamber in the Federal District, and was attended by legislators from all political parties.

Mexico: PAN To Return to State Reform Negotiating Tables

PA2305171196 Mexico City XEW Television Network in Spanish 0300 GMT 21 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] [Announcer] The Political Commission of the PAN [National Action Party] has been meeting for more than two hours at its headquarters in Valle neighborhood, Mexico City. The PAN delegates are discussing their party's participation at the tables negotiating the state reforms in Congress and the Government Secretariat, which is located on Bucarelli Street. Laura Padilla has the details. Laura, good evening.

[Padilla] Leonardo, good evening. Five minutes ago, Felipe Calderon, PAN secretary general, I mean, PAN president, reported that the PAN Executive National Committee's [CEN] Political Commission has decided to rejoin the two tables that are negotiating political

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reforms: One at the Government Secretariat and the other in Congress.

The PAN believes that its condition to return to the tables negotiating state reforms has been met because of the solution to the Huejotzingo case.

As you may recall, on 15 May, the Puebla State Congress' Permanent Commission approved the sabbatical requested by Miguel Angel Martinez Escobar and various councilmen [regidores] and, in full accordance with party authority, proceeded to appoint new municipal councilmen, including the one who is currently presiding over the Huejotzingo Council, which is a PAN stronghold. This is what was just reported at a news conference.

[Announcer] Laura, certain PAN CEN members had said that they would return to the Congress' negotiating table only, not to the Government Secretariat's table. Why did they now decide to return to the two tables?

[Padillo] This is precisely what we asked PAN President Calderon, and he told us that they believe that they would have to return to the two tables, because the Government Secretariat's table has already finished working on electoral matters. However, four national issues are still pending: federalism, the free municipality principle [municipalidad libre], the state of law, and the administration of justice. This is why the PAN has returned to the two negotiating tables.

[Announcer] Will it immediately be returning to the two tables?

[Padilla] Yes, immediately. Calderon pointed out that the PAN deputies and senators are going to be instructed to rejoin the respective commissions of Congress to draft the reforms. In addition, the PAN Political Commission supported the decision the national president and parliamentarian coordinators made to rejoin the national talks being held at the Government Secretariat.

[Announcer] Thanks for everything, Laura.

Mexico: Televisa, Argentine ATC Network Sign Agreement

PA2305125296 Mexico City NOTIMEX in Spanish 0120 GMT 21 May 96

[FBIS Translated Text] Mexico City, 20 May (NOTIMEX) — The Mexican Televisa and Argentine ATC companies signed an agreement today, which allows for the reciprocal exchange of information on topics such as music, culture, entertainment, and sports, as well as the broadcast of audiovisual material.

In a communique, Televisa disclosed that the agreement, which was signed by its president, Emilio Azcarraga, and German Kammerath for the Argentine network, allows Spanish-speaking television viewers to be better informed on the activities furthered by mankind in numerous spheres.

Thus, ATC will broadcast one hour of its programs through the ECO Information System from Monday to Friday, starting on 3 June, as well as sports programs on predetermined dates.

Televisa will appear in the Argentine company's channels every day. It will broadcast an hour of programs with information on the issues and on the aforementioned topics.

With this agreement, Televisa will have a possible audience of 4.28 billion people because ATC has cable channels, 471 stations, and its signal reaches the countries with which it has borders, such as Uruguay and Brazil.

ATC, for its part, will have access to the market covered by ECO, the news information system in the Spanish language that broadcast 24 hours a day, whose signal reaches Latin America, Europe, and northern Africa.

This cooperation agreement will be in force for two years and has an automatic renewal for a similar period. It will only be terminated when one of the two parties requests it in a timely manner.

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Honduras

Honduras: Armed Forces on Joint Regional Forces Exercises

PA2305152596 Tegucigalpa LA TRIBUNA in Spanish 21 May 96 p 6

[Report by Juan Carlos Vasquez]

[FBIS Translated Excerpt] Palmerola, Comayagua — The Allied Forces 96 exercises to train troops in peace-keeping operations were inaugurated here yesterday with the participation of Honduran Armed Forces Chief Mario Raul Hung Pacheco, U.S. Ambassador William Pryce, and Colonel Joseph Prasek, commander of the Bravo Task Force.

Members of the Honduran, Belizean, Salvadoran, U.S., and Guatemalan armies will participate in the exercises, which will include a simulated operation to restore peace and democracy in a fictitious region where ethnic divisions have brought chaos to the country, prompting the intervention of UN peace forces.

In his speech, General Hung Pacheco stressed that the armed forces of the participating countries are capable of working together to maintain peace and firmly uphold regional security consonant with international changes and the reorganization of the armies, which is the purpose of these operations.

States Opposing Integration Will Disappear

Hung Pacheco said states cannot act as isolated entities, and that if any one does, "it is doomed to obscurity and to disappear as a state."

He stressed that active cooperation is the best way to strengthen relations and consolidate common objectives. He added that this will benefit the armed forces in the region that share the same ideals of liberty and advocate peace and democracy.

"Our states, as signatories to international agreements and as UN members, should be ready to act whenever a military presence is required," he added.

He urged the participating countries to demand a promising future for the new generations in the culture of peace. He also urged them to aim their efforts at achieving a world that will bring together the interests of the rich north and the poor south, seeking overall solutions that will favor all and not just the superpowers.

Gen. Hung Pacheco ruled out the possibility of another armed conflict in Central America, because "conditions are not present, and because measures are being sought to build up confidence and harmony. We want to show that we do not want any more wars, that we are armed forces that promote peace through dialogue.

Hung Pacheco said the exercises are part of a binational agreement signed between Honduras and the United States in 1954. [passage omitted]

Nicaragua

Nicaragua: Arab Group Said To Cause Diplomatic Concern

PA2305134096 Managua LA PRENSA in Spanish 17 May 96 pp 1, 14

[Report by Roberto Orozco B.]

[FBIS Translated Text] LA PRENSA managed to learn today, that the arrest of the group of Arabs in Bluefields last weekend, has prompted "great interest and concern" in certain diplomatic offices in our country.

The Spanish diplomats held a long meeting with Deputy Government Minister Frank Cesar to get "first hand" information on the group's arrival in the country. The group includes seven Syrians, two Jordanians, and one Moroccan who are imprisoned at the Immigration and Aliens Directorate installation. The U.S. Embassy displayed "special interest," to the point that U.S. Ambassador John Maisto also requested a meeting with Cesar for this afternoon.

A morning radio newscast reported today, that the Arab group wanted to hijack an American Airlines plane. However, police and Government Ministry officials have emphatically denied the report. "Such an intention did not exist," a Government Ministry source told LA PRENSA.

According to our informant, the government is currently investigating the Arab's arrival because it is uncommon for groups of Arabs to enter our country illegally. "We regularly get Peruvians, Chinese, Ecuadorans, or other nationalities, but never Arabs. This is not a common occurrence and that is why it is being investigated," said a top-level National Police official. While they question the Arabs, the authorities await reports that are to be sent by several offices of the International Police (Interpol).

The United States is interested in the presence of Arabs in our country because five Nicaraguan passports were found at the apartment of Ibrahim Elgabrowny, one of the people charged with the Twin Towers explosion in New York. In mid-March 1993, the Immigration and Aliens Directorate received a request to verify the nationalization of Jordanian Salama Mohamed Abdel because his name is very similar to the one of Mohamed Salama who was involved in the World Trade Center attack that left seven people dead.

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Nicaragua: Supreme Electoral Council on Parties, Alliances

PA2405045096 Managua EL NUEVO DIARIO in Spanish 19 May 96 p 5

[Report by Edgard Barberena S.]

[FBIS Translated Text] "Nicaraguan Christian Path" [Camino Cristiano Nicaraguense] is the newest political party that the Supreme Electoral Council [CSE] has approved. Meanwhile, the merger of two political parties was legalized under the name of the Nicaraguan Conservative Party [PCN].

According to CSE President Dr. Rosa Marina Zelaya, this raises to 35 the number of political parties that are now ready to participate in the October elections.

The legal representative of the new political party is Guillermo Osorno Molina, and his alternate is Orlando Mayorga Sanchez, both of whom may register their candidacy until Friday 24 May at 2400 (local).

Dr. Zelaya said the CSE has resolved the lawsuit faced by the Nicaraguan Resistance Party. The CSE still should resolve the petition challenging the results of the election of the now PCN first candidate for Managua deputy. Dr. Adolfo Calero Portocarrero is the PCN legal representative.

Rhina Cardenal Debayle made this petition. Hence, the CSE has ordered the hearing of the individuals involved in this case.

Regarding the PLI [Independent Liberal Party] case, in which it was said that Dr. Wilfredo Navarro, now in the PLC [Liberal Constitutionalist Party] camp, was going to challenge PLI Board of Directors agreements, Dr. Zelaya said that the CSE has not received anything.

Requests for New Parties

Eight days before the registration deadline for parties, alliances, and candidacies to elected posts, the CSE still has six pending requests for new political parties, which are in the process of fullfilling the Electoral Law requirements and procedures.

Among those requests are that of the Christian Force, that of the Nationalist Liberal Party, which had asked during the procedure to change its name (as per Aracely Urcuyo's request), and another by Deputy Andres Robles, who has asked to form an Indian party. Mr. Edmundo Arguello's request to form a new political party was withdrawn.

Alliances That Have Been Registered

Thus far, the following alliances have been registered at the CSE: Unity, which is formed by the Movement of Revolutionary Unity (MUR) and the Social Christian Party (PSC), and the Liberal Alliance [AL], which is made up of the PLC, the PLIUN [Independent Liberal Party for National Unity], the PALI [Liberal Party of Nicaragua], and the PUCA [Central American Unionist Party]. In addition, the Force 96 Republican Alliance Party and the National Action Party (PAN) have registered their alliance under the name of PAN and Force.

The CSE records also include the registration of the municipal alliance that identifies itself as "Samuel Amador 96," which was presented by the MRS [Sandinist Renewal Movement] and the PSD [Social Democratic Party].

Meanwhile, the following parties have already been registered: the Pronal [National Project], which has registered for all of the elections, the FSLN [Sandinist National Liberation Front], which has only submitted presidential and vice presidential candidates, and the AL, which still has to register some of its candidates for various municipalities.

Dr. Zelaya has confirmed that the CSE has approved the registration of 47 political parties. The CSE's registration period has already expired for these parties.

There Will Be No Extensions To Register Alliances

Regarding compliance with the electoral schedule, Dr. Zelaya has stated that the period to register the charters of the political parties and alliances that will participate in the elections will expire on 24 May at 2400.

The CSE has also provided to the legally established political parties the addresses where the Offices for Verification and Update of the Electoral Register will operate as well as the location of the Polling Boards that will operate in the 26 municipalities where there is no registry of personal identification cards. .

Regarding seven requests for registration made by political parties on the Atlantic coast, the CSE president said these were on "stand by" [preceding word in English] because the National Assembly has not yet approved reforms to the Political Administrative Division Law.

The registration period expired at 2400 yesterday for political parties to submit the names of members for the polling boards that will operate in the 26 municipalities where ad hoc electoral registration will take place. These should have been submitted to the electoral councils of the Departments of Matagalpa, Jinotega, Esteli, Madriz, Chontales, and Boaco.

Last night, the period also expired for the accreditation of the representatives of the participating political par-

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ties at the polls, including the nationwide poll representative with the corresponding alternate before the CSE and the departmental poll representatives with the corresponding alternate before the departmental electoral councils and the North Atlantic and South Atlantic autonomous regions.

Panama

Panama: Report Views Panama Canal Alternatives

PA2305202696 Panama City EL UNIVERSAL DE PANAMA in Spanish 21 May 96 p A7

["Special" report by Esteban Martinez Lasso]

[FBIS Translated Text] **Note from the Editor: In this issue, we publish a report on the development alternatives for the Panama Canal. The report's objective is for the community to closely follow the waterway's transition, technological evolution, and economic future in a Panamanian Administration's hands. With 1,320 days left for the ditch dividing the country into two portions to revert, the Canal's future looks promising, and Panamanians have high hopes of it.**

According to what was stipulated in Article 12, Paragraph 1 of the 1977 Panama Canal Treaties, an exchange of diplomatic notes started in September 1982 and ended with an agreement to set up a Preparatory Committee, the objective of which is to plan the conducting of studies on alternatives to the Panama Canal.

The Preparatory Committee worked from 1982 to 1985 and prepared a final report during this period. This report defined the scope and objective of the studies that would be conducted. At the level of this committee, it was stressed that these studies should show the joint efforts made by three nations, which equally shared technical participation and costs.

According to Dr. Omar Jaen Suarez, "following the submitting of the final report by the Preparatory Committee and its approval by the member governments, Panamanian Foreign Relations Minister Jorge Abadia, U.S. Secretary of State George Schultz, and Japanese Foreign Minister Shintaro Abe on 26 September 1985 signed the exchange of diplomatic notes at the UN Headquarters in New York City, thus creating the Commission for Studies on Alternatives for the Panama Canal [Comision de Estudio de las Alternativas al Canal de Panama], which is headquartered in our capital. The Commission was officially set up on 2 June 1986 during a ceremony held in Panama City and attended by President Eric Arturo Delvalle."

In 1985, the Panamanian, U.S., and Japanese Governments, as members, formally formed the Commission for Studies on Alternatives for the Panama Canal. Later, the Republic of Panama, through Executive Resolution 1 of 18 February 1986, bestowed upon it the rank of international organization. Its duties were geared toward determining possible Panama Canal alternatives or improvements (maritime or land) that could be carried out.

Cost and Duration of the Studies

The studies cost $20 million and were prorated among the three sponsoring governments. The Panamanian Government's share was financed by an Inter-American Development Bank (IDB) loan. The studies, including the organization and preparation periods, the terms of reference, the preselection and selection of consulting firms, and the carrying out of the studies, were completed in eight years, starting on 26 September 1985 with the exchange of diplomatic notes among the three governments and the creation of a Tripartite Commission. The term was extended, by common consent among the three governments, until 25 September 1993.

The Panama Canal faces not only the technological challenge of the increase in the size of the ships using it, but also the increase of the "Panama Plus" world fleet.

We observe that the shipowners' latest trend is aimed at working with vessels larger than the average size, which is not strange given the current economic globalization. Even though the shipowners know that these vessels will not be able to transit the Panama Canal, as part of their international maritime trade activities, the world maritime communities' shipyards continue to built deadweight tonnage (DWT) vessels. It is presumed that the vessels' 1991 technological level will be the average level in 2020.

The congestion of vessels in the Panama Canal (in the Pacific and Atlantic Oceans) stemming from the increase in the number of transits, seems to be a delicate issue, because these circumstances trigger economic losses (conservative estimates point to $100 million) due to the time these vessels must wait to transit the canal.

It is estimated that between 2020 and 2060 alone, the cost of fuel and salary rates will increase in real terms. It is also estimated that the Canal tolls will increase along with the average transportation costs.

The transit of vessels, both in and from the Pacific Basin, will be larger and more significant if the current economic growth trends along its coasts and the exchange standards continue.

These studies developed a simulation model to forecast the current Canal's capacity and projected alternatives

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to accommodate the expected number of transits. The studies contemplated three basic areas:

1. Estimate tidal currents for the proposed sea-level canal.

2. Identify practices and relevant operation parameters for vessels and the canal.

3. Based on the results of these investigations, create a simulation model for the vessels transiting the Panama Canal and for the expected transits for the alternatives.

These studies made world trade projections linked to the Panama Canal according to routes and vessel sizes and types; 1990 was used as the base year for the studies, and 2020 and 2060 were the years chosen to make predictions.

Selected Alternatives

On 24 July 1992, the Tripartite Commission selected two alternatives for further studies. Recognizing the significance of the Panama Canal for world trade, the commissioners who conducted the studies on alternatives for the Panama Canal by consensus concluded these studies by recommending the following alternatives:

The alternative to the third set of locks forecasts a capacity to accommodate 150 to 200 DWT vessels. With this option, the new installations will more or less follow the layout of the existing Canal with the construction of new and larger locks, which will be adjacent to the current ones, and work to widen and deepen the canal in order for larger vessels to be able to transit.

This option's cost was estimated at $7.4 billion (for the 150 DWT, two-lane option) and $5.4 billion (for the 150 DWT, one-lane option). For the 200 DWT, two-lane option, the cost was estimated at $8.5 billion; and for the 200 DWT, one-lane option, at $6.4 billion. It was estimated that it would take 10 years to built this option and that it could be done in phases.

The one-lane, sea-level canal along Route 10 forecasts a capacity for vessels with a maximum of 2.15 million DWT. This option would entail the excavation and construction of a new waterway through the Isthmus of Panama; it would run somewhat parallel to the existing Canal and would be located approximately 16 km west of the Republic of Panama. [sentence as published]

This option's cost was estimated as follows: With locks in the Pacific (two lanes), $13.5 billion; one lane, $10.9 billion. The Atlantic/Pacific gates option was estimated as follows: Two lanes, $12.7 billion; and one lane, $10.9 billion. As for the gates/locks option, the cost was estimated at $14.2 billion. It was also estimated that it would take 15 years to build this option.

According to the studies conducted, the two alternatives suppose the continuing use of the existing Canal with the completion of the widening of the Gaillard Cut. The construction and operation of any of the two alternatives selected by the tripartite commission will have long-term, beneficial impacts on Panama as it provides a sustainable source of revenues for the 21st century.

An optimal toll grid, as it was outlined in the additional studies on finances, will be adopted. (A 50 to 100 percent increase is expected.) In addition, geographically speaking, the country's worth, as compared to the rest of the world, will increase if either one of the two options is selected.

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Argentina

Argentina: Canadian Foreign Minister Discusses Trade

PY2405032496 Buenos Aires TELAM in Spanish 2138 GMT 23 May 96

[FBIS Translated Text] Having asserted that cultural and economic relations between Canada and Argentina have been cemented over the past few years, Canada's Foreign Affairs Minister Lloyd Axworthy announced today that his government will encourage investments in Argentina.

In his first state visit to Argentina, the Canadian foreign minister pointed out: "Bilateral relations have been considerably consolidated, particularly since President Carlos Menem's visit to Canada in June 1994."

During a news conference called at the Canadian Embassy in Buenos Aires, Axworthy — who was accompanied by Canadian Ambassador Robert Clark — observed: "Bilateral relations are being enhanced; our ties of friendship are becoming increasingly deeper. We are not only acquaintances, but also partners, friends, and confidants."

Moreover, the Canadian foreign minister stated: "Even though Canadian investments in Argentina and bilateral trade have expanded over the last few years, we want to promote them even further to comply with the Summit of the Americas mandate of establishing a free trade area throughout the entire hemisphere."

Axworthy, who met with his Argentine counterpart Guido Di Tella this morning, explained that one of the central objectives of his state visit to Argentina "is the support for the UN mission in Haiti so as to contribute to the consolidation of democracy and economic recovery, in which both Argentina and Canada are actively participating."

"The idea is that the countries of the Western Hemisphere cooperate to maintain an international presence, notably in security issues, and thus make democracy and economic development in Haiti possible," he pointed out.

The Canadian foreign minister asked Di Tella to give him "information about the experience Argentina had with the White Helmets [established to fight hunger and poverty], which constitutes a model that Canada will consider for the participation of Canadian contingents in international missions."

Axworthy broached the issue of relations between Mercosur [Common Market of the South] and NAFTA, and commented that "the strengthening of ties in the entire hemisphere is of paramount importance." He made it clear that "relations between Canada and Chile ought not to affect endeavors seeking the integration of the Americas."

Changing the subject, the Canadian minister underscored the interest of Canada and Argentina in "defending fishing activities in the Atlantic Ocean because many a time vessels fish anywhere without respecting each country's borders."

Argentina: Mining Declaration Signed With Chile

PY2305215396 Buenos Aires TELAM in Spanish 0032 GMT 23 May 96

[FBIS Translated Text] Buenos Aires, 22 May (TELAM) — Argentina and Chile this evening signed a joint declaration on mining integration that will become an agreement when President Carlos Menem and Eduardo Frei sign it on 25 June.

The declaration was signed by Argentine Economy Minister Domingo Cavallo and Chilean Mines Minister Benjamin Teplizky during a dinner party at the Claridge Hotel, in this capital, to celebrate Mining Day.

The signing of the protocol precedes the definitive agreement to be signed by the two heads of state on 25 June in San Luis Province, the date on which Chile will join Mercosur [Common Market of the South].

The agreement, to which TELAM had access, considers the possibility of creating taxes for the undertakings on either side of the border by a same company.

It also proposes creating "a mechanism for the solution of controversies that may surface between the parties regarding its application or interpretation."

The document states that "the treaty must contemplate the possibility of creating an ad hoc tax system for those cases that require the exploitation of resources on both sides of the border by the same company." It also states that this system "must be compatible with the tax policy of the two parties." The treaty also seeks to bilaterally coordinate the actions of the control mechanisms to expedite border traffic.

The agreement, for which Industry and Mining Secretary Carlos Magarinos is mainly responsible, will authorize the free circulation between countries of equipment and services of the consultant companies. Moreover, it provides for the use of infrastructure for the exploitation of mine deposits on either side of the border.

The agreement prioritizes a list of measures that will make economically feasible the projects on border areas through the use and construction of infrastructure on either side of the border.

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The idea of the mining integration treaty between Argentina and Chile began taking shape two years ago after the signing of an agreement by presidents Menem and Frei designed to harmonize the mining laws of the two countries.

Chile's great mining experience, its geological potential, economic stability, and legal guarantees have played a decisive role in the development of the mining field.

Regarding Argentina, negotiated investments in productive projects in the mining field up to the year 2000 total $1.55 billion.

According to preliminary projections, as of the year 2001 more than $500 million will be invested per year in mining projects.

The prospects of Argentine mining increase with the interest shown by foreign investors in the exploitation of various deposits in the interior of the country.

San Juan, Catamarca, La Rioja, and Santa Cruz are some of the provinces in which Canadian and Australian investors are interested due to their mineral wealth. Investments approved up to date are focused on the development of activities in the gold, copper-gold, lithium, and potassium fields. However, with the implementation of Mercusor, the demand for industrial minerals to supply this common market and for sales to third regions has increased significantly.

[Buenos Aires TELAM in Spanish at 0114 GMT on 23 May carries a 380-word related report stating that "Economy Minister Domingo Cavallo this evening asserted that the mining integration joint declaration signed with Chile is a sort of finishing touch to the process for the establishment of a partnership between the two nations." He then went on to comment on Argentina's admiration for Chile, with which it shares a common future that "'fortunately is now being fulfilled by presidents Carlos Menem and Eduardo Frei.'" After disclosing details of the signing ceremony, during which Cavallo made an impromptu speech, the report states that "Cavallo ended by stating that 'currently more than 16 million hectares have been granted from prospecting and exploitation to some 50 private mining companies that simultaneously are engaged in more than 150 different projects.'"]

Argentina: Documents From Camilion Aide, Arms Deal Linked

PY2405025996 Buenos Aires LA PRENSA in Spanish 22 May 96 p 2

[FBIS Translated Excerpt] The considerable number of documents seized within the framework of an extortion case involving the owner of El Cielo [Heaven] Discotheque "are directly linked to the illegal sale of Argentine weapons" to Croatia and Ecuador and buttresses the hypothesis that th[illegible] are "military personnel implicated in these transa[illegible]s," according to what was made public to LA PRENSA [illegible]y sources close to the court hearing this case. The documents were found at the home of Hugo Martiello, former adviser to the Defense Ministry Planning Under Secretariat, during a search with a court order issued by Criminal Judge Francisco Trovato, who is delving into the charges of extortion leveled against Martiello by the owner of the aforementioned discotheque.

Evidence

The judicial sources revealed yesterday that among the documents seized at Martiello's home were phone bills listing several calls made to Ecuador, faxes sent to and received from Ecuador, and documents pertaining to the privatization of military companies.

The documents, "a considerable number of which were signed by Defense Minister Oscar Camilion," hint at alleged irregularities in the privatization of military companies. Horacio Rodriguez Larreta, a former Defense Ministry official, was in charge of these privatizations. Judge Trovato is now analyzing the documents found in Martiello's home, and in a few days will send them to Judge Jorge Urso, who is probing into the case involving the arms deal. [passage omitted]

Argentina: Budget Forces Navy To Give Up UNITAS Operation

PY2405010396 Buenos Aires TELAM in Spanish 2008 GMT 23 May 96

[FBIS Translated Text] Buenos Aires, 23 May (TELAM) — Alluding to "budget reasons" for his decision, Admiral Enrique Molina Pico, Navy chief of staff, announced today that the arm under his command will not participate in the UNITAS maneuvers, an operation which is jointly conducted with the U.S. Navy every year.

Adm. Molina Pico argued: "The Navy is giving top priority to urgent matters and leaving aside some other activities on account of the well-known cutback in the defense budget."

The Navy chief of staff made these remarks today following the speech Raul Granillo Ocampo, Argentine ambassador to the United States, made at the Navy War College.

Adm. Molina Pico made some comments to the press. Referring to the budget cut in the Navy, he pointed out: "Our needs differ from the figures included in the budget. In 1996, our budget is one-fifth of the budget appropriated to us 10 years ago."

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Bolivia

Bolivia: Death of Youth Prompts Violence in Cobija

PY2305014696 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 22 May 96

[FBIS Translated Excerpt] The situation is slowly returning to normal in Cobija following yesterday's violent riots that nearly led to social upheavals following the death of a 14-year-old youth who was killed by the police.

This fatality coincided with the presence of Government Minister Carlos Sanchez Berzain, who tried on four occasions to meet with over-excited Cobija dwellers who demanded the replacement of Police Commander Colonel Jaime Medrano, but to no avail. Through the mediation of local parish priest (Jaime Souslie), Minister Sanchez Berzain tried to talk to the students in the street but he was booed and jeered. A similar reception faced him at the home of Deputy Ruth de Levrens, at the parish hall, and at the prefect's office.

After signing an agreement following five hours of discussions [not further explained], things came to a head at the German Busch Central Square, when the police repression resulted in the death of the aforementioned youth, who was killed by a rubber bullet fired by a police officer. Cobija inhabitants were brutally repressed all day with tear gas, baton charges, and rubber bullets, until it reached unheard-of levels.

The authorities blamed the disturbance on civilians. A spokesman of the prefect's office said there will be an investigation into a group of hooded drunks who pillaged the prefect's office. A communique states the drunks pushed a minor directly into the clash with the policemen who were guarding the government facilities.

Sanchez Berzain returned to La Paz today while Deputy Juan del Granado is granting compensation to the family of the dead student.

Pointing out that an inquest will establish who masterminded these riots, the prefect's office stated — as Sanchez Berzain did — that obscure political interests were behind all this.

Personnel from the Navy were sent to Cobija yesterday to guard the building where the prefect's office is located.

Col. Jaime Medrano — the now former Pando police commander — is in hiding, for safety reasons, somewhere in the surrounding area with two police officers, one of whom possibly fired the rubber bullet that killed the adolescent. The three fled the city on the evening of 21 May, when the angry mob tried to storm the police headquarters shortly after the death of Wilber Ferreira, whose parents are bakers. [passage omitted]

Bolivia: Police, Prefect Sanctioned for Cobija Violence

PY2305152796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 23 May 96

[FBIS Translated Excerpt] [Passage omitted] Deputy Jorge Suarez has announced that the Human Rights Commission will demand severe punishment for the policemen responsible for the unprecedented acts of repression in Cobija, Pando, which provoked the death of a 14-year-old youth.

Suarez said a human rights delegation will travel to Cobija at 0600 today to investigate what really happened. The delegation will indentify which policemen fired at a peaceful student demonstration, causing the death of Wilfredo Rivero [name as heard].

Human Rights Commission members met with the president yesterday afternoon. The president promised to punish the officials involved in the abuse of authority. Suarez said the main culprits were the prefect and the police chief. [passage omitted]

Sub Lieutenant Ruben Ocampo has been suspended and placed at the disposal of the Police Superior Disciplinary Tribunal following reports that he fired the rubber bullet that killed Wilber Ferreira in Cobija. [passage omitted]

It was confirmed that Wilber Ferreira, 14 years and 11 month, died on 22 May during a confrontation between policemen and a group of overexcited youngsters who were completely out of control and who were attacking the Pando prefecture.

A communique states that the forces of order only fulfilled their duty to guard the building where authorities, labor and civic leaders, parents, and national representatives were meeting in an effort to reach an agreement. The police commander said the department has ordered a full investigation to determine the responsibility of the individuals who provoked the violence. The police have suspended Sub Lt. Ruben Ocampo, the police officer who allegedly fired the rubber bullet that killed Wilber Ferreira.

Bolivia: Defense Minister Downplays Conspiracy Charges

PY2305134296 Santa Cruz EL MUNDO in Spanish 15 May 96 p A24

[FBIS Translated Text] La Paz, 14 May — The military high command is not in agreement about the alleged political antimilitary conspiracy. Defense Minister Jorge

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Otasevic, on 14 May disagreed with General Reynaldo Caceres Quiroga, the Armed Forces commander, and said that he has not seen any evidence of conspiratorial attitudes against the Armed Forces.

"I would say no," the defense minister firmly answered during a news conference with a group of journalists when asked whether the MIR [Movement of the Revolutionary Left], and other opposition parties "are conspiring against the military institution."

The minister explained the contents of the first military communique released on 11 May: "It was prompted by accusations of certain terrorist elements (MRTA) [Tupac Amaru Revolutionary Movement], who charged that Armed Forces members had sold weapons."

He added: "On the other hand certain politicians have been pressuring the Armed Forces to express opinions on matters outside their sphere of competence, especially on the capitalization of state-owned companies."

The defense minister said that "there were no ill intentions" behind the delivery of the second military communique to certain news media, and its subsequent "withdrawal, it was merely lack of coordination and confusion." Asked about the contents of this communique, the minister explained that it was not intended to create a "negative atmosphere" toward the Armed Forces among opposition parties.

Asked whether the military high command, or the Armed Forces commander have evidence of the reported antimilitary conspiracy, the minister answered: "I do not know anything about this evidence because I do not have the information."

The minister tried to assuage the bitter argument that the Armed Forces sparked between part of the military high command and the opposition political parties. He said: "Let us take this thing with a pinch of salt, lets not fuel the fire any more."

He said he had met with Gen. Caceres, who is prepared to explain everything at a news conference. Gen. Caceres has traveled to Cochabamba to participate in a seminar on human rights.

Otacefic defended the Armed Forces commander. He said that Gen. Caceres does not encourage "cliques within the Armed Forces, nor is he a militant member of the MNR [Nationalist Revolutionary Movement], he merely obeys the laws and does not speak in favor or against them."

Bolivia: Army Commander Accused of Embezzlement

PY2305181796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 23 May 96

[FBIS Translated Text] With documents in hand, Army Colonel Adolfo Touchard Lopez, retired, accused General Reynaldo Caceres Quiroga, Armed Forces commander in chief, of five groups of crimes.

Col. Touchard and his lawyer, Oscar Garcia Suarez, went to the Permanent Military Court of Justice to present a file containing photocopies of documents and to request that they be authenticated in order to present them as evidence.

Touchard presented a memo containing details of the five groups of crimes that the commander in chief allegedly committed.

First: The unlawful appropriation of the funds of Armed Forces sergeants and noncommissioned officers worth 32,378.41 bolivianos. To replace those funds, Caceres ordered the Army Financial Administration Department to hand the funds to [word indistinct].

Attached documents: Service order dated 21 April 1994, accounting receipt No. 176 dated 1994, and Bolivian National Bank check 18386;

Second: The illegal purchase and award of a social housing unit to himself, at a time when he owned a mansion valued at $200,000 in Achumani;

Third: The reduction of Armed Forces personnel; through the implementation of the Busch plan, which was anticipated and thus created a crisis in the military social security system;

Fourth: The ill-treatment of subordinates; a crime defined in Articles 200, 201, and 202 of the Military Penal Code, for beating Noncommissioned Officer Ruperto Contreras on 12 June 1995, as shown in press clippings;

Fifth: Indications of other crimes, the investigation of which is being requested.

Lawyer Oscar Garcia said the steps taken at the military justice and the authenticated documents will prove the Army commander does not deserve to be in that position.

Bolivia: Colonel Adds To Charges Against Army Commander

PY2305195596 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 23 May 96

[FBIS Translated Text] Colonel Adolfo Touchard has accused Army General Reynaldo Caceres of influence

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meddling and nepotism. Touchard said Caceres incurred large and unnecessary expenditure using funds of the Military Social Security Corporation, Cossmil.

Touchard said that Armed Forces Commander Gen. Reynaldo Caceres is involved in influence meddling and nepotism. He increased his representational bonus from 80,000 bolivianos to 200,000 bolivianos per month. Thus, his income totals 210,000 bolivianos, including his salary of 10,000 bolivianos.

Col. Adolfo Touchard, retired, added that Caceres placed some of his relatives in Army and Defense Ministry positions; administering funds.

Touchard revealed that when Gen. Caceres became Army commander, he placed his brother-in-law, whom he identified as Rudy Dorado, in a position where he could control the Army's reserved funds.

He added that Caceres placed a relative as the cashier at Cochabamba's Arms School, adding that the man was later charged with fraud and desertion.

Touchard said the situation was kept quiet to allow the accused to pay off the entire debt from his salary, but without working.

He said Caceres placed a brother-in-law as head of the Defense Ministry budget and administration department and thus got his representational bonus increased from 80,000 bolivianos to 200,000 bolivianos per month.

Touchard challenges Gen. Caceres to provide invoices to prove what he did with the 3.5 million bolivianos he received as Army commander before taking over as Armed Forces commander.

The retired colonel said he does not believe an external audit will clarify the situation because a classmate of Caceres heads the auditing office when he should be in the reserves.

Touchard said that one of Caceres' brothers-in-law was named general manager of Cossmil, from where he administered millions of dollars.

He explained that a military officer earns 1,000 bolivianos, yet the commander, as a force commander, gets 10,000 bolivianos plus another 200,000 bolivianos per month as a representational bonus.

The report places Privatizations Minister Alfonso Revollo in the eye of the storm. Touchard said Minister Revollo is at the center of the entire affair. The retired colonel accused Revollo of embezzling $20 million when he was defense minister during the MNR [Nationalist Revolutionary Movement] administration. Touchard said the irregular handling of money then represents an accrued loss of $97 million today.

The retired colonel asked the press to conduct a survey among officers in order to determine the level of annoyance within the ranks over the presence of Gen. Caceres as commander. Touchard said those supporting him are servile, liars, and boot lickers.

Bolivia: Courts To Decide Narco-Links Case in Jul

PY2405030996 Santa Cruz EL MUNDO in Spanish 18 May 96 p A26

[FBIS Translated Text] La Paz, 17 May (ANF) — The judges of the Controlled Substances Court will pass sentence on the 12 co-defendants prosecuted in the so-called "narco-links" case at the end of July or beginning of August.

This was made public today by Prosecutor Nancy Asturizaga, who added that pursuant to the law, once the Department of the Public Prosecutor delivers the final argument after the closing of evidence, the co-defendants have the right to reply by making their closing arguments within the next three days.

In explaining the complexity of this case, Asturizaga said: "We are talking about a case dossier comprising 50 sections and 40 annexes, besides additional evidence. This hints at the fact that this is not just a simple case dossier."

The prosecutor explained that it is almost certain that the counsel for the defense will request an extension of the deadline for submitting the defense closing argument. The judges will have to consider this request as a legal recourse that needs to be addressed.

Asturizaga was of the opinion that the 12 co-defendants have the same right, which means that completion of the defense closing arguments will take 36 days.

"Subsequent to this, 10 days will be needed for the judges to pass judgement in the case involving the 12 co-defendants. Then we have to bear in mind that law courts are in recess as of the middle of June, which means that the sentence will only be pronounced on the co-defendants at the end of July or beginning of August," she said.

Asturizaga made it clear that the sentences the Department of the Public Prosecutor sought in the closing argument are only "requests," since the judges are the ones who will pass judgement in favor of or against [Movement of the Revolutionary Left, MIR, leader Oscar] Eid Franco and the other defendants.

It should be recalled that on 16 May, during his closing argument at a law court, Prosecutor Duran sought the following for the defendants in the so-called "narco-links" case:

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Chavarria and accepted money from him, rented his planes, or posed in the drug photographs."

In comments broadcast by a local radio station, Lema said that "it is unfortunate that with these accusations the MIR is trying to create a "smokescreen" to cover up something that is known both nationally and internationally as the "narcoconnection" case. [passage omitted]

Arms Traffic Case Halted by Document Translation Delay

A sensitive document translation job has interrupted for several weeks the ongoing investigation into the worldwide arms traffic in the name of Bolivia, a matter being handled by the Permanent Military Justice Court.

Defense Minister Jorge Otasevic said that in order to complete this effort, resources and the assistance of specialists are needed. While this is not a very sensational case, it is important in terms of the information that can be obtained. [passage omitted]

Brazil

Brazil: Government To Set Quota for Textiles From China

PY2305214196 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 May 96 Section 2 p 10

[FBIS Translated Excerpt] Presidential spokesman Sergio Amaral last night told FOLHA in Brasilia that Brazil is going to impose quotas on imports of textile products from countries that are not members of the WTO.

Amaral cited China as one of the countries that would have its exports to Brazil restricted.

In Sao Paulo, Industry and Commerce Minister Francisco Dornelles had announced a few hours earlier that the administration is studying measures to fight unfair foreign trade practices.

Dornelles stated that Brazil could adopt antidumping measures whenever unfair trade practices are confirmed.

"Dumping" practices occur whenever a company sells its products at prices that are lower than the cost of production with the objective of accessing the market.

According to Dornelles, it is incumbent upon each business sector to report unfar trade practices. The administration will only study each case after receiving reports from business groups.

Dornelles said he had already contacted business leaders and asked them to prepare leaflets to instruct Brazilian companies how to defend themselves against unfair foreign trade practices.

The Brazilian Government may also use surcharges and safeguards. [passage omitted]

Brazil: Access Sought to PRC Market for Coffee Exports

PY2305152896 Sao Paulo GAZETA MERCANTIL in Portuguese 17-19 May 96 p B16

[Article by Livia Ferrari in Rio de Janeiro]

[FBIS Translated Text] Brazil wants the PRC to allow access for Brazilian coffee exports. To do that it must overcome one of the main obstacles — high import taxes established by the PRC. A tax of 40 percent is levied on coffee beans and 67 percent on instant coffee. This makes it impossible to sell coffee to the PRC.

The issue was brought up by Cacique Director Edmundo Ayres. This enterprise produces and exports instant coffee. Ayres attended a meeting on 16 May at which the Brazilian Coffee Exporters Federation [Febec] board met with PRC Internal Trade Minister Chen Bangzhu. The PRC minister began a tour of Brazil in Rio de Janeiro on 16 May.

Brazil has never exported coffee to the PRC, which is a great tea consumer. Even so, Febec Director Guilherme Braga forecasts that this 1.1-billion inhabitant country will become one of the largest international markets for that product.

The PRC minister pointed out that — unlike Colombian coffee — "Brazilian coffee is not known in the PRC." He suggested that Brazilian entrepreneurs should advertise the product. He believes there is potential interest and envisioned the possibility of joint ventures between Brazilian and PRC enterprises to produce instant coffee in his country. He added that the Nestle company already has a processing plant in the PRC.

Jair Coser, president of the Unicafe company (the largest exporter of coffee beans) believes Brazilian coffee exports this year will total only 12 million 60-kg sacks, because the 1995 harvest was small. Estimates predict a revenue from coffee exports of about $1.5 billion this year, compared with $1.6 billion in 1995. Febec data shows just 512,500 sacks — beans, toasted, and ground — were exported in April. This is the lowest so far this year.

Exports between January and April totaled 2.268 million sacks, some 37.5 percent less than the same period in 1995. Revenues accumulated during the same months totaled $331.5 million compared with $640.8 million during the same period in 1995.

Coser believes Brazil must increase its coffee-producing area and production to around 33 million sacks. He

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— Julia Saucedo, widow of [drug kingpin Isaac] Chavarria, be sentenced to 30 years' imprisonment at the women's penitentiary and assessed a fine equivalent to 10,000 minimum daily wages since she is guilty of the charges of drug trafficking, criminal conspiracy, and collusion. She cried when she heard this.

— Oscar Eid Franco (MIR vice president) be sentenced to 15 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 2,000 minimum daily wages for being guilty of the crimes of concealment and misprision of felony. He was tense, but then relaxed.

— Castulo Saucedo Alba (brother of Saucedo) be sentenced to 30 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 1,000 minimum daily wages for being found guilty of the charges of drug trafficking, criminal conspiracy, and collusion.

— (Army Lieutenant Colonel) Jorge Velazquez Benavidez (former aide-de-camp of [former] President Jaime Paz Zamora) be sentenced to 8 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 2,000 minimum daily wages for being found guilty of conspiracy and criminal association charges. He lowered his head and said nothing.

— Wilber Corrs Molina (former aide to Chavarria) be sentenced to 20 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 5,000 minimum daily wages for being found guilty of the charges of complicity, criminal conspiracy, and collusion.

— Jorge Ibanez Hurtado (former pilot for Chavarria) be sentenced to 25 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 10,000 minimum daily wages for being found guilty of the charges of drug trafficking, criminal conspiracy, and collusion.

— Juan Carlos Peredo Paz (faces charges of being Chavarria's front) be sentenced to 20 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 5,000 minimum daily wages for being found guilty of drug trafficking and complicity.

— Mariano Donoso Blanco and Miguel Benquique Bernal be sentenced to 15 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 1,000 minimum daily wages for being found guilty of the charges of transport of controlled substances, criminal conspiracy, and collusion.

— Richard Kinsmill, Luis Fernando Roca Ali, and Asdrubal Medina be sentenced to 20 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 15,000 minimum daily wages for being found guilty of the charges of criminal conspiracy, and collusion.

— Hector Pasquali Arce be sentenced to 30 years' imprisonment at the Chonchocoro penitentiary and assessed a fine equivalent to 10,000 minimum daily wages for being found guilty of criminal conspiracy and collusion charges.

The public prosecutors also requested the "impoundment" of assets seized from the defendants by the Special Antinarcotics Force.

Bolivia: News Summary for 20 May

96CA0175A (Internet) Bolivian Social Communications Ministry WWW in Spanish 20 May 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Political News

MIR Accusation

MIR [Movement of the Revolutionary Left] charges that the "narcoconnection case" is being used in an attempt to eliminate the MIR's 1997 political plans.

The MIR has released a statement charging that the "narcoconnection" case is being used, along with extralegal and extranational factors, in an attempt to eliminate their 1996 political plans.

The MIR document was issued because of statements made by the MNR [Nationalist Revolutionary Movement] senator and party executive secretary, Raul Lema Patino, who called the MIR leaders cowards for accusing his party of being behind the request made by the prosecutor, who has sought a sentence of 15 years in prison for Oscar Eid Franco.

MNR: Only MIR Responsible for its Present Position

"The only one to blame for the situation in which the MIR and its leaders now find themselves is the MIR itself. Instead of accusing the MNR and the government, it should ask the U.S. Embassy what its mistakes were," charged MNR senator and executive secretary Raul Lema.

In his new attack against the MIR, he stated that it was not the MNR which "established ties with 'Oso'

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calculates that coffee production this year will be about 25 million sacks. He said: "Only by increasing volume can we recover lost markets and conquer new ones, specially countries with emerging economies — like East European and Southeast Asian countries." He said that current international coffee prices, around $150 per sack, are "excellent."

Brazil: PRC Minister Expects No Restrictions on Exports

PY2305134196 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 May 96 Section 2 p 4

[Article by Helcio Zolini in Brasilia]

[FBIS Translated Text] PRC Internal Trade Minister Chen Bangzhu said on 20 May that he expects Brazil will not impose restrictions on the admittance of PRC products into the country.

"Bilateral trade problems must be solved through negotiations held between the involved countries. Nothing should be imposed unilaterally," he said.

The Brazilian Government announced last week that it will establish quotas for importing of textiles manufactured in countries that do not belong to the WTO. The PRC is one of these countries.

Brazil will probably adopt safeguards against products imported from Taiwan, Panama, Hong Kong, ROK, and Pakistan.

The PRC minister said that his country will probably announce "soon" its admission to the WTO.

He said that the PRC has been managing to remain competitive in some areas — such as those of shoe manufacturing, textiles, and toys — due to the country's abundant raw materials and cheap labor.

Brazil: Cardoso 'Indignant' Over Social Security Defeat

PY2305135396 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 23 May 96

[Report by Carlos Alberto in Brasilia]

[FBIS Translated Text] President Fernando Henrique Cardoso was indignant about the result of the voting [at the Chamber of Deputies] on the social security reform. He said that the administration has done its share and that it will not give in to bargaining pressures.

President Cardoso was indignant about the first results obtained in the voting of the social security reform. When commenting on the issue, presidential spokesman Sergio Amaral said that in President Cardoso's opinion the minorities have chosen to maintain privileges.

[Begin Amaral recording] The administration has done its share and has taken the responsibility of sending to Congress the kind of reform the country needs. Congress, or better still, a congressional minority has not taken its share of responsibility in this regard. President Cardoso wants to make clear that he will not purchase votes in order to ensure approval of the reforms. He does not accept participating in the bargaining market. [end recording]

After the defeat, Cardoso immediately summoned some leaders for a meeting at Planalto Palace in order to evaluate the situation. At the end of the meeting, government leader Deputy Benito da Gama asserted that nothing will change with regard to the government leaders' work in Congress.

[Begin Gama recording] We are convinced that our work has been well done, that the administration has worked well. The ones who have to change are those who want to preserve corporatism, who want 37-year-old people to be able to retire, who want people to receive accumulated pensions adding to as much as 25,000, 30,000, and even 40,000 reals, R, per month while workers receive pensions of R100 per month. The administration has to maintain the minimum wage low because the fiscal reform has not been approved and things cannot improve because a small minority — of nearly 5 million Brazilians — absorb almost the entire national budget. [end recording]

Deputy Gama asserted that the administration will not stop trying and will continue to fight corporatism and political opportunism.

Brazil: Senate Committee on Sao Paulo State Bank Deal

PY1905215896 Rio de Janeiro O GLOBO in Portuguese 15 May 96 p 23

[Report by Angelica Wiederhecker]

[FBIS Translated Text] Brasilia — In a symbolic vote, the Senate Economic Affairs Committee (CAE) yesterday approved an agreement that will put an end to the Central Bank [BC] intervention in Banespa [Sao Paulo State Bank]. The proposal will be submitted to the Senate floor on 16 May, and pro-government bloc leaders already take its approval for granted. Senator Pedro Piva (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo], rapporteur of the Banespa bill; and Senate government leader Elcio Alvares (PFL-ES) [Liberal Front Party-Espirito Santo] lauded the agreement, which was worked out through arduous negotiations between administration officials and the pro-government blocs in Congress.

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BC President Gustavo Loyola yesterday said that by the end of this week the administration will probably be issuing a provisional measure outlining the rules of a Proer [Program To Encourage the Reorganization and Strengthening of the National Financial System] intended for the state banks. Loyola said Banespa will not be benefited by this new program because a separate agreement is already under way to deal with its problems.

The Proer for state-owned banks is aimed at dealing with problems affecting state banks following guidelines that are similar to those adopted for private banks. The BC would help state banks as long as they agree to adopt a rigorous adjustment program.

CAE members requested that the Banespa accord include a provision stating that its terms will also be applicable to the renegotiation of the debts of their respective states to state banks, as it had been agreed earlier at a meeting between President Fernando Henrique Cardoso and CAE chairman Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas]. Alvares claimed that this provision is not necessary because the administration is committed to negotiating with other states on the same basis.

The agreement provides that half of the Sao Paulo state debt to Banespa — R7.5 billion — will be financed through the issuance of treasury bonds, which would thus extend the profile of the debt. Sao Paulo will be able to repay the debt in 30 years with a 6- percent annual interest, plus exchange variations. The share of funds to be transferred by the federal administration to Sao Paulo State, ICMS [Goods and Services Movement Tax] revenues, and 51 percent of Banespa ordinary nominal shares will serve as collateral for the loan. The remainder will be covered through the sale of assets belonging to Sao Paulo State.

Piva's report recommends that the operation be implemented over an 18-month period and that the terms of payment made retroactive to 15 December (the date when the agreement was signed), which will reduce the additional R2 billion estimated for financial expenses.

Piva said: Approval of the agreement will be more comfortable at the Senate floor because negotiations were already conducted within the committee. Despite their opposition, senators from northeastern states voted in favor of the administration. Neither Sao Paulo nor the BC considers the agreement to be good, but this was the solution that could be worked out.

According to pro-government congressmen, it took more than two months to approve the agreement due to the administration's lack of interest. It was necessary only for the administration to show a little more determination to get a breakthrough in the negotiations. Five of the 21 senators serving on the CAE voted against the agreement: Roberto Requiao (PMDB-PR) [Parana], Bello Parga (PFL-MA) [Maranhao], Osmar Dias (independent-PR) [Parana], Esperidiao Amin (PPB-SC) [Brazilian Progressive Party-Santa Catarina], and Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo].

Brazil: Roundup of Economic Reports Through 17 May

PY1705222596

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 17 May.

BASIC LEADING INDICATORS

Industrial Production Figures — Despite that the industrial production output dropped in all the regions of the country, Rio de Janeiro and Minas Gerais registered a performance above the average, according to the Brazilian Geography and Statistics Institute, IBGE. Production in Brazil in general, dropped by 9.3 percent during the first quarter of the year in comparison with the same period last year. In the two states with the best performance, the production output dropped by 2.8 percent in Rio de Janeiro and by 0.2 percent in Minas Gerais during the same period. The states with the worst performance were Pernambuco, with -26.8 percent, Rio Grande do Sul with -17.9 percent, and Sao Paulo with -13.9 percent. The industrial production performance of Rio de Janeiro was good thanks to the mineral extraction and chemical sectors which grew by 7.2 and 23 percent respectively. Textile and transportation production, however, dropped by 52.2 and 49.1 percent respectively in Rio de Janeiro. Industrial Production increased in Minas Gerais thanks to the automobile and milk byproduct industries which grew by 17 and 9.4 percent respectively. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 May 96 p 14)

Coffee Stock Figures — The Industry and Commerce Ministry Staples Coordinator Roberto de Abreu has reported that the government coffee stocks comprise 13.8 million sacks. He said this during a seminar on coffee consumption held in the Sao Paulo State Federation of Industries, FIESP. Abreu reported that 9.2 million sacks of coffee are stored in Parana State, 2.4 million in Sao Paulo, 1.9 million in Minas Gerais, and 300,000 tonnes in Espirito Santo. The ownership of this coffee is distributed between the Treasury, which owns 32 percent of it, and the Coffee Economy Defense

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Fund which owns 68 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 0007 GMT 15 May 96)

Monopoly of Reinsurance Companies To End — The Senate approved on 15 May in a first round of voting, a reform ending with the government monopoly of reinsurance in the country, allowing foreign companies to open branches in Brazil. Currently, only the Brazilian Reinsurance Institute, IRB, can reinsure insurance companies. The reinsurance market moves $12 billion per year. The reform, which has already been approved in the Chamber of Deputies, will be voted on in a second round in the Senate in June. Senator Jose Inacio Ferreira claims that this will not mean the end of the IRB, but the entrance of new competitors to the field. The approval of the reform in a first round of voting does not mean that foreign reinsurance companies can come to Brazil or that national reinsurance companies open today. According to IRB President Demosthenes Madureira de Pinho, "the definite opening of the market requires a complementary regulating law." (Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 May 96 p 19)

FINANCIAL OPERATIONS

Asian Lumber Companies Invest in Brazil — The Manaus Free Trade Zone Superintendency, Suframa, which controls the incentives for the companies that operate in the Manaus Free Trade Zone, has approved the purchase of the Brazilian lumbering company Amaplac by the WTK group, headquartered in Sarawak, Malaysia. It has also approved the purchase of the Brazilian Compensa Agribusiness by the Chinese lumbering company Tianjin Fortune Timber Company. Compensa Agribusiness has been suffering losses on account of the exchange rate and the high interest rates. The Asian lumbering companies are buying companies in Brazil in order to honor their commitments of wood exports. (Sao Paulo AGENCIA ESTADO in Portuguese 2310 GMT 14 May 96)

Bank of Brazil Losses Reported — The Bank of Brazil, BB, has registered a loss of 1.6 billion reals, R, during the first quarter of the year. The losses it registered in March alone amounted to R617 million. The BB trial balance note for March states that the losses are in keeping with the bank's projections, reason for which the bank decided to increase its capital. The BB managers guarantee that the bank will again register surpluses during the second half of the year. The principal reason for the low performance of the Bank of Brazil is the high level of default of its credit portfolio which deprives the bank from generating income, and forces it to make heavy allowances for possible loan losses. In March alone the bank had to make an allowance for possible loan losses of R643.8 million. Such allowances are estimated to amount to R3.7 billion during the first half of the year. (Sao Paulo AGENCIA ESTADO in Portuguese 2250 GMT 14 May 96)

Foreign Investment Figures — Foreign Investors have again come to invest in the Brazilian stock exchanges in April, after the recess that took place in March. The net balance, which is the money that came in and left the country through the so-called Annex IV in April amounted to $498 million. The balance was negative in March by $174.5 million. With the April result, the accumulated investments in the country during the first months of the year amounted to $1.4 billion. This was reported by the Security and Exchange Commission, CVM. (Sao Paulo AGENCIA ESTADO in Portuguese 2006 GMT 14 May 96)

FISCAL, MONETARY ISSUES

Tax Collection Expectation Diminishes — Tax collection in April amounted to 7.2 billion reals, R, which is slightly below the R7.4 billion the Federal Revenue Service, RF, expected. This is consequence of a smaller collection of the personal income tax which amounted to R660 million. The National Treasury registered a cash surplus in April on account of a record tax collection of R10.2 billion in March. (Rio de Janeiro O GLOBO in Portuguese 14 May 96 p20)

States, Municipalities Reduce Petition for Advance Income — Compared to March, states and municipalities reduced their Budget Revenue Advance, ARO, petitions to the Central Bank to a fourth in April. The total amount of advances amounted to 97.2 million reals, R, in April, as compared to R394 million in March. The drop is owed mainly to the upcoming municipal elections. The mayors could only obtained advances until last 2 April, six months before the elections take place. The replacement of the ARO debts for long term credits and the loans granted within the scope of the adjustment of the states have increased the values authorized by the Central Bank to contract long term debts. This means that R2.596 billion worth of long-term debts were contracted during the first four months of 1996, as compared with R247 million contracted during the same period last year. (Sao Paulo AGENCIA ESTADO in Portuguese 0025 GMT 16 May 96)

PRIVATIZATION

Privatization Attempt in Sao Paulo Fails — No one was interested in buying the Ceagesp, Sao Paulo State General Warehouse and Supply Company, which was supposed to be auctioned in the Sao Paulo Stock Exchange, mainly because the company has a 180

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million real, R, debt with the Banespa, Sao Paulo State Bank. Sao Paulo Vice Governor Geraldo Alckmin said that the privatization model will be reviewed before a new auction date is established. Agriculture Secretary Antonio Cabrera said that the privatization of the Ceagesp should not affect the supply of vegetable and fruits in Sao Paulo. The minimum price for the Ceagesp was established at R150 million by law. As for the possibility of breaking it up to sell it by parts, Sao Paulo Planning Secretary Franco Montoro Filho said there are many bureaucratic and labor impediments that hinder this possibility. The administration, however, wants to allow more time for the formation of consortiums interested in buying it. (Sao Paulo AGENCIA ESTADO in Portuguese 0047 GMT 16 May 96)

Privatization Currency Performance — The auctions of public companies so far carried out within the National Privatization Program, PND, were mostly paid in the so-called "privatization currency" which are securities issued by the federal administration in favor of its creditors. Of the 44 companies privatized in 1991 for a total $9.3 billion, only $1.5 billion were paid in cash. The rest was paid in government-issued securities. That is, nearly 83 percent of what the total privatization value was paid in "privatization currency." The use of such securities was an essential prerequisite for the success of the first auctions. The main investors were the banks which were able to get rid of a good portion of their Privatization Certificates obtained during the Collor administration. Pension funds also benefited from this considerably, since they own a large portion of federal debt securities. The permission to use such securities began to be reduced during the Itamar Franco administration. The first public bid call to privatize Light Power company established that payment should be exclusively made in cash, a demand which the interested buyers rejected. The National Privatization Council ended by giving in to pressures and allowed 30 percent of the total payment to be made in government securities. Privatization currency is often called "rotten currency" because it comprises securities that have lost their value in the market. (Sao Paulo AGENCIA ESTADO in Portuguese 2306 GMT 16 May 96)

TRADE ISSUES

Company Pulls Out From Argentina — Trevo Limited, which is a leading Brazilian fertilizer company, has decided to suspend the operations it maintained in Argentina since 1993. The Trevo-Fertilizers Argentina plant is being sold for $1.7 million to the Norwegian Company Norsk Hydro. Trevo, which registered 61.35 million real losses in 1995, began implementing a restructuring program last week. Although the Argentine fertilizer market has good perspectives, the excessively long payment terms in Argentina have forced Trevo to pull out of the market which consumes 1.2 million tonnes of fertilizer per year, which is only 12 percent of the Brazilian demand which will consume 10.8 million tonnes in 1996. A Trevo manager explained that the 120 and 150-day financing term for the sales Trevo make to Argentine farmers absorbs a great deal of working capital. The financing term in Brazil is 30 days. Trevo now intends to concentrate in domestic production and in the Uruguayan market. The Trevo plant in Uruguay participates has a 2- percent share of the Uruguayan fertilizer market which consumes 50,000 tonnes per year. (Buenos Aires GAZETA MERCANTIL LATINOAMERICANA in Spanish 12-18 May p 21)

Trade Balance Results Revealed — The April trade balance results were announced today. Exports amounted to $4.271 billion and imports to $4.073 billion. The trade balance, has therefore registered a surplus of $198 million in April. During the March- April period, the trade balance registered a $267 million deficit, with exports amounting to $7.679 billion and imports $7.946. (Sao Paulo AGENCIA ESTADO in Portuguese 1828 GMT 16 May 96)

Exports to EU, Other Areas — The European Union was the leading importer of Brazilian products from January to April 1996. Brazilian exports to the EU totaled $4.180 billion during this period. The market of Asian countries accounted for $2.41 billion of Brazilian exports. Other leading markets for Brazilian products were China, Mercosur (Common Market of the South) member countries, and the United States. (Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 May 96)

Chile

Chile: Signing of Agreement With Mercosur May Be Delayed

PY2305014896 Madrid EFE in Spanish 2121 GMT 22 May 96

[FBIS Translated Text] Santiago de Chile, 22 May (EFE) — Economy Minister Alvaro Garcia said today that the signing of the agreement between Chile and Mercosur [Common Market of the South], which is scheduled for 25 June, could be postponed if Chile disapproves the conditions.

In remarks over the phone from Washington, Garcia said: "If an appropriate agreement is not reached with Mercosur, it will be better to wait and not sign on a given date." He is attending a meeting sponsored by the Asia-Pacific Economic Cooperation.

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Garcia said the latest proposal submitted by Mercosur requires a full analysis that would imply postponing the signing date.

Just a couple of weeks ago, Mercosur members delivered to the Foreign Ministry a memorandum on the rules of origin that includes additional requirements for more or less 50 percent of the tax base, a fact that surprised Chilean officials.

Chilean and Argentine technical teams are now in Buenos Aires for the final round of negotiations before the signing of the agreement.

Reports from Buenos Aires claim that, after three days of intense negotiations, many points still need to be resolved. Consequently, further consultations must be arranged before 25 June.

Economic and political officials have reiterated that Chile seeks to conclude negotiations on the established date and to resolve the pending points in further consultations providing they are not major issues, in which case they would rather postpone the signing of the agreement.

Chile: Bolivia Urges Compensation for Use of Silala River

PY2305171096 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 23 May 96

[FBIS Translated Text] Bolivia wants compensation for the use of the Silala River, and Chile replied that a concession was registered more than one century ago.

[Begin recording] [Unidentified reporter] A commission of Bolivian ministers and congressmen came to this desolate region to check, on site, charges that Chileans were moving border markers and deviating the Silala River, which is in the Chilean Atacama zone. They confirmed what was decided 100 years ago: That the source of the Silala River is in Bolivian territory and that the water not used by Bolivia naturally flows into Chilean territory. The commission also reviewed an old project to improve the flow of the river as authorized a few years ago. The visit helped to discard the charges and decided that some use must be made of the river waters by Chile.

[Bolivian Foreign Minister Antonio Aranibar] The use of the Silala River by Chile, as a result of a juridical act signed in the last century and which was approved through a law, should lead the way to some compensation for the use of the waters, which has its source in Bolivian territory and which does not benefit our country.

[Chilean Foreign Minister Jose Miguel Insulza] The problem is that a study must be conducted to see if compensation is legally possible. This is not a political problem because, I repeat, the water is used by private companies, not by state companies. No state water company is using the river. Thus, Bolivia must deal with private companies. If the Chilean Government needs to intervene, it will.

[Reporter] Insulza concluded by saying that this issue can be included in the bilateral agenda. [end recording]

Chile: Brazilian Navy Minister To Visit Installations

PY2305212096 Santiago EL MERCURIO in Spanish 21 May 96 p C2

[FBIS Translated Text] Brazilian Navy Minister Mauro Cesar Rodrigues Pereira has begun an official visit at the invitation of his Chilean counterpart Admiral Jorge Martinez Busch, seeking to tighten relations between the two institutions.

The Brazilian admiral's visit will last until 23 May. His agenda includes several visits to installations, where he will learn about the operational capacity and logistics of the Chilean Navy.

Rodrigues Pereira was decorated with the Armed Forces' military star by Adm. Martinez Busch during a ceremony yesterday at the Chilean Navy building in Valparaiso.

The Brazilian minister will also attend a parade at the monument to the heroes of Iquique in Sotomayor Square to commemorate the Iquique Naval Battle. He will then participate in the formal and traditional 21 May reception.

Chile: Works Minister Refuses Talks on Frei Succession

PY2405022596 Santiago EL MERCURIO in Spanish 21 May 96 p C3

[FBIS Translated Excerpt] On 20 May Public Works Minister Ricardo Lagos stated that it is "absurd" to deal with the issue of presidential candidacies as a leading matter considering that President Frei has held his post for only two years. Lagos and Christian Democratic Party, PDC, President Alejandro Foxley agreed on the need to avoid dealing with the issue for the time being.

When asked about the topic, Lagos said: "I have remained silent for a long time; that is the difference."

When told that the media reported over the past weekend on the PDC's concern over the possibility that he might run for the presidency, Lagos said: "It would seem very regrettable to me that somebody could be afflicted

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by such a rumor. I would have wished to perceive a sign of applause. All jokes aside, we are still four years away from the elections. I am tired of saying the same thing over and over again."

Referring to the same matter, he then said that the current administration still has four years to govern, and "I believe that what should concern us is worrying about the issues." [passage omitted]

Colombia

Colombia: Committee Recommends Samper's Acquittal

PA2405023096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0000 GMT 24 May 96

[From "The Latest News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — The Accusations Committee decided this afternoon — with 10 votes in favor and three against — to recommend to the plenary session of the Chamber of Representatives to close the investigation and acquit President Ernesto Samper Pizano of his responsibility in the infiltration of drug trafficking money in the past election campaign and declare him innocent of all charges.

In deciding on the alternate proposal presented by investigating congressman Rodrigo Arcila Idarraga, recommending accusing the head of state before the Senate of the Republic, 10 members of the committee voted against it, while the three remaining congressmen voted in favor.

With this decision, the report presented by Congresmen Heyne Mogollon and Eliecer Meneses will be sent to the plenary session of the Chamber of Representatives. The report recommends closing the investigation against President Samper.

As we recall, on 14 February, the prosecutor general filed charges against the president before the Accusations Committee of the Chamber of Representatives for the issuance of false private documents, concealment, illicit enrichment, and procedural fraud.

Congressmen Franklin Segungo Garcia and Roberto Herrera did not participate in the vote that recommended closing the investigation and acquitting the president of all the charges filed against him by the Prosecutor General's Office.

Meanwhile, Congressman Heyne Mogollon said today that the Accusations Committee's decision recommending that the Chamber of Representatives close the investigation against President Ernesto Samper Pizano was based on the law and was totally clear.

In a statement for Radio Cadena Nacional, Mogollon said the members of the Accusations Committee acted according to their consciences and made a decision the country was able to witness first-hand. He added: The Committee has shown that it has complied with the duty that justice had entrusted on us; we can say with conviction that we have acted conscientiously accroding to the law. The country can rest assured and wait for Congress, through the Chamber of Representatives, to make the final decision regarding President Samper's case, Mogollon stressed.

Mogollon added that tonight, the board of directors of the Chamber of Representatives will be asked to review the investigation against the president as well as the Accussation Committee's decision. Tonight, the plenary of the Chamber of Representatives, through its board of directors, will be asked to review the decision and determine the strategy to be followed in the debates leading to a final decision in the case against the president, Mogollon concluded.

Colombia: Samper's Lawyer on Committee's Decision

PA2405025696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0000 GMT 24 May 96

[From "The Latest News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Luis Guillermo Nieto Roa, President Ernesto Samper's lawyer, has said that the decision by the House of Representatives Accussations Committee means that another step has been taken in the investigation process against the president.

The resolution recommending closing the investigation means that the plenum of the Chamber of Representatives can begin the debates and that we are approaching the final decision the entire country is waiting for, Nieto Roa said.

He added that the congressmen in the investigating committee carefully analyzed the evidence against President Samper, an analysis that concluded with a vote in favor of the head of state, recommending his acquittal.

I believe that what prevailed was a thorough, serious, and calm study conducted by the investigating congressmen who drafted the report based on a profound knowledge of the case, Nieto Roa stressed.

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Colombia: DNC Asks Ministers To 'Leave Their Posts'

PA2305190096 Santa Fe de Bogota EL TIEMPO in Spanish 23 May 96

[Received via Internet]

[FBIS Translated Text] The members of the Conservative National Directorate (DNC) yesterday asked Interior Minister Horacio Serpa Uribe, Foreign Minister Rodrigo Pardo Garcia-Pena, and Communications Minister Juan Manuel Turbay to leave their posts after the Prosecutor General's Office issued a precautionary measure against them. "Their staying at their posts worsens the crisis that affects the country," the DNC members said.

In addition, several members of the Businessmen's Council, which met yesterday, were skeptical about the possibility of the Prosecutor General's Office clarifying the country's political panorama. "We cannot accept the perception, as it is being given, that the ministers have been cleared from charges. Quite the contrary, this is just another aggravating step. They now stand accused of a crime," Juan Manuel Ospina of the SAC [Association of Colombian Farmers] said. He described the fact that the ministers stay in their positions as "bizarre."

In addition, this newspaper has established that the Prosecutor General's Office ruling regarding the ministers' case says they acted "deceitfully" and participated in "fraudulent maneuvers" aimed at cheating the current electoral legislation. Specifically, on this point, the Prosecutor General's Office states: "There is serious evidence pointing to Pardo, Serpa, and Turbay."

The DNC yesterday asked that the three ministers included in the precautionary measure issued by the Prosecutor General's Office resign immediately. In a brief communique, DNC says the fact that the three ministers are staying at their posts "worsens the crisis" that he believes plagues the administration of President Ernesto Samper. This is the text of the communique.

"Having learned of the Prosecutor General's Office's yesterday ruling penally involving Ministers Pardo, Serpa, and Turbay in the crime of concealment in the so-called Case 8,000, the DNC believes the ministers should not stay at their posts. The DNC believes this stay worsens the crisis that affects the country and casts it in an unfavorable light before the whole world precisely because the foreign minister is involved in a case with the Colombian administration of justice. The DNC does not understand whom or what these ministers are concealing. The DNC expects President Samper to understand the country's situation well and replace these ministers immediately."

In addition, the leading associations of wealth-producing businessmen met as usual on Wednesday. In the meeting, Ospina of SAC referred himself to the subject of the ministers. He said the impression is being created that the three ministers have been cleared from guilt but that this is wrong. "Quite the opposite is true. This is one more evidence against them. They now stand as accused of a crime." He thinks the ministers' staying at their posts although they are involved in a crime is "weird." Ospina said the ruling does not clear the national panorama but shows that "the administration of justice keeps calm despite the turbulence."

On the same subject, Cesar Gonzalez of the Banking Association said the idea floating in the air is that the investigation is still in progress. "It should not be given a political connotation because this is a judicial proceeding. There is no magnifying or minimizing the proceedings," he said.

Gustavo Tobon of Fedemetal [Colombian Federation of Metal Industries] said it is important for the administration of justice to do its work and clear the panorama. "The ruling affected the government's image, both internally and externally."

Finally, Eugenio Marulanda, representative of Colfecar [Cargo Transport Confederation], said: "This ruling does not clarify the situation and the political ethics in a sorry state."

Colombia: Reaction to Decision on Ministers Reported

96P20425A

[FBIS Report] The Liberal Party-oriented Santa Fe de Bogota newspaper EL TIEMPO on 23 May published reaction to the Office of the Prosecutor General's 21 May announcement that there is insufficient evidence to support the most serious of the charges against the Interior, Foreign Affairs, and Communications Ministers. While the newspaper's comment was unanimous in praising the Prosecutor General's Office for its handling of the issue, differences were expressed as to what the decision means for the government.

The daily's lead editorial praises the Prosecutor General's Office for its "impartiality" and "courage," and says that the decision will help to "moderate" the prevailing climate.

It notes that the three ministers, who were "almost totally absolved" of the charges against them, underwent their "trial by fire with dignity," and may now return to their duties "without impediments."

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The editorial stops short of calling the decision a victory for the government, describing it instead as a "welcome event" that will allow the government to confront the country's problems "with greater dynamism and renewed enthusiasm."

Columnist Enrique Santos Calderon, however, warns that the administration has no cause for "euphoria," and states that for the government to view the decision as a political victory would be "the saddest demonstration of the upsetting of values and attitudes produced by the Samper crisis."

He notes that the precautionary measure issued by the Prosecutor General's Office, while "mild" in that it does not require incarceration, is, nevertheless, a "serious sanction" especially as it relates to political ethics.

Santos commends the Prosecutor General's Office on its "intelligent and tactical" decision which avoids "making a martyr" of Interior Minister Serpa and "neutralizes" accusations that Prosecutor General Valdivieso and his team are "politically prejudiced against the president."

Columnist Abdon Espinosa Valderrama praises Valdivieso for demonstrating "poise as well as dignity and restraint." He notes that the decision has "defused" the political climate, and is a step toward "harmony and reciprocal respect among public powers."

Colombia: Samper on U.S. Military Operations in Panama

PA2305184896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 23 May 96

[From "The Midday Newscast"]

[FBIS Translated Text] President Ernesto Samper Pizano today denied that the U.S.-Panamanian joint military maneuvers in an area neighboring his country are the result of pressure that Washington is exerting on Santa Fe de Bogota. What we have obtained in Washington is the certainty that there would be no unfriendly actions against Colombia, Samper pointed out, adding that he is convinced that the military operations' objective is to defend Panama from drug-trafficking threats.

Colombia: Medellin Cartel's 'Second in Command' Arrested

PA2405020596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0000 GMT 24 May 96

[Report by Eduardo Carrillo; from "The Latest News" newscast]

[FBIS Translated Text] The National Police has just arrested the second in command of the criminal organization headed by the late drug trafficker Jose Gonzalo Rodriguez Gacha. I am referring to the Medellin cartel unit that was active in Santa Fe de Bogota. His name is Pedro Ortegon Ortegon who identified himself as Benjamin Castro Castellanos. Fabio Estrada Ovideo, one of his bodyguards, was arrested along with Ortegon. The drug boss was driving a late model red 500 Mercedes.

[Begin General Luis Enrique Montenegro Rincon, deputy national police director, recording] His name is Pedro Ortegon Ortegon. It is worth noting that about a month ago, a letter addressed to the National Police director was sent to our post office box. The letter explained who Pedro Ortegon Ortegon is. It said that a warrant for his arrest had been issued and where he could be found, and (?that he owned) two airplanes that carry... [pauses] he controlled the route that smuggled cocaine to Europe from the coast. The police was advised of the information contained in the letter, and about two hours ago, Pedro Ortegon Ortegon was arrested. He used other names. [end recording]

Colombia: FARC Guerrilla Group Causes Alert in South

PA2405023696 Madrid EFE in Spanish 1912 GMT 23 May 96

[FBIS Translated Text] Santa Fe de Bogota, 23 May (EFE) — Today, General Jorge Miranda del Carpio, commander of the Army's 3d Brigade, announced that military and police forces are on the alert in southern and southwestern Colombia because of threats of rebel attacks by a new guerrilla group.

The same source has explained that it might be a possible offensive that coincides with "the launching of a new subversive group called People's Revolutionary Movement [Movimiento Revolucionario del Pueblo]."

According to military intelligence services in Cali, this new organization is apparently a "political and armed branch" of the Revolutionary Armed Forces of Colombia (FARC).

These intelligence services have indicated that the attacks might be against official buildings, military bases and garrisons, police stations and headquarters, electric plants, power pylon networks, and fuel transportation networks.

General Miranda del Carpio pointed out that various battalions under his command are watching over roads, which are considered possible targets for these attacks, hydroelectric plants, and aqueducts under their jurisdiction in southern and southwestern Colombia.

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There are fears that the People's Revolutionary Movement might initiate its guerrilla attacks at any time and that these would continue until 28 May.

On that date, the FARC "commemorates the 32d anniversary" of their armed struggle since they became a guerrilla group that emerged from the peasant self-defense groups in the 1950's and early 1960's.

Colombia: Samper Notes Support Program for Expatriates

PA2305190396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 23 May 96

[Report by Gilbert Vega; from "The Midday Newscast"]

[FBIS Translated Text] Here is Caracol from the Foreign Relations Ministry.

President Ernesto Samper Pizano has just announced a program called From Colombia for Everyone [de Colombia para todos], aimed at giving support to the 3 million Colombian citizens who live abroad. The ceremony was attended by the diplomatic corps in our country.

[Begin Samper recording] First of all, consulates will become meeting places and refuge centers for Colombians living abroad. No Colombian citizen should find the doors to any Colombian Embassy or consulate closed to his or her needs. The legal support we have been giving to 12,000 fellow citizens, many of them facing drug charges, will be extended with legal assistance. [sentence as heard] [end recording]

The president also explained that this program will start in the Brussels and Frankfurt consulates, with a pilot social assistance program. Likewise, 3,000 children who live along the Colombian border areas will receive the benefits of a special project, which is another of the points included in the program announced today by President Ernesto Samper Pizano.

Colombia: Nation To Question Fight Against Laundering

PA2305130696 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 May 96

[Report by Diego Suarez from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmission Television at 0000 GMT 18 May]

[FBIS Translated Text] In the United States tomorrow, Colombia will severely question Latin American governments and banks on not stopping money laundering. Finance Minister Jose Antonio Ocampo will lodge Colombia's complaints.

[Suarez] In a document, the Colombian Government complains before the international community that the fight against money laundering is still limited to mere political words. It also will accuse the Latin American financial system of hindering authorities when banks invoke banking confidentiality to prevent access to information:

[Begin Ocampo recording] The most important point in the report is the need to change the focus from money laundering to a more general focus regarding the laundering of assets in general and laundering associated with illegal actions. [end recording]

[Suarez] In New Orleans, the minister will announce new penalties for Colombian banks that do not report suspicious activities on time. The Banking Superintendency is willing to reduce the profits of banks that do not cooperate with the law:

[Begin Banking Superintendent Maria Luisa Chiappe recording] Measures will be established against those banks that do not adequately protect against money laundering. [end recording]

[Suarez] The new measures will be enforced in June.

Colombia: Trade Minister on Investment Meeting With U.S.

PA2405005096 Santa Fe de Bogota EL TIEMPO in Spanish 23 May 96

[Report by Marcela Sanchez Fonseca, EL TIEMPO correspondent in Washington, D.C. — received via Internet]

[FBIS Translated Text] Contrary to any possible assumption, the government of William Clinton has reportedly suffered more pressure than the government of President Ernesto Samper because of its decision to decertify Colombia, a measure adopted almost three months ago.

This was said by Colombian Foreign Trade Minister Morris Harf Meyer after the conclusion of the fifth meeting of the Bilateral Commerce and Investment Commission, held in Washington D.C. at the initiative of the U.S. Government.

He said: "In our review of yesterday's meeting, we have realized that the certification is more a concern for the U.S. Government than for the Colombian Government in the sense that U.S. businessmen have said that they are worried about possible difficulties they might experience in proposing projects financed by Eximbank to be carried out in Colombia."

Although he said that he did not want to stir any trouble over a possible recertification of Colombia, he deemed

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it possible that in "the short term," the U.S. Government might reconsider its decision.

Only by recertifying Colombia, will the loans to U.S. investors be normalized by Eximbank, the official explained.

The minister recalled that when the decertification was issued, Eximbank was evaluating loans for approximately $700 million, but in light of the legal limitations, commercial banks replaced Eximbank in providing this financing.

Concerning the bilateral meeting, Harf voiced his optimism as far as the progress made within the framework of the bilateral treaty to protect investments. In response to criticisms raised against his work in this regard, due to Colombia's vulnerable position vis-a-vis the United States, he only said that this moment is as propitious as any other for this type of negotiations.

He noted that despite the fact that Colombia is going through a critical period in its history, "this does not mean that we are negotiating at a disadvantage." Harf added that, on the contrary, the meetings were held in a cordial and equitable spirit, and the topic of decertification was basically not discussed.

Even though a specific acknowledgment of the efforts undertaken by the Colombian Government to fight drug trafficking was not made, Harf Meyer said that in contrast with three months ago, "at present, Colombia and the United States are pleased in this respect."

In this regard, he stressed that the sacrifice made in the fight against drug trafficking and not the decertification has been the factor that has affected some economic sectors, including the construction sector.

After not holding meetings for nearly three years, the Bilateral Commerce and Investment Commission agreed to hold a sixth meeting in Colombia at the beginning of 1997.

Ecuador

Ecuador: Candidate Nebot Advocates Peace With Peru

PY2305202196 Madrid EFE in Spanish 0905 GMT 22 May 96

[FBIS Translated Text] Quito, 21 May (EFE) — Jaime Nebot, presidential candidate of the Social Christian Party, said today his country does not want "war" with Peru or a "surrender" of national interests over the border conflict.

Interview by EFE, Nebot said: "No to war, no to surrender, yes to an honorable transaction, and yes to a dignified, just, and sovereign peace with Peru through conventional and imaginative initiatives that will lead to a final agreement."

Nebot said that once the definitive alternative solution has been drawn up, it must be endorsed by a popular consultation, which is necessary "to maintain unity and to implement some judicial and constitutional reforms."

Unofficial results show Nebot came first in last Sunday's elections; obtaining 27.4 percent of the 6.66 million electorate, while populist Abdala Bucaram obtained 25.5 percent.

On 7 July, Ecuadorans must choose between the two candidates who will succeed conservative President Sixto Duran-Ballen, who concludes his term on 10 August after a four-year administration.

Nebot said: "It is good to return to the road of peace. We are again seeking peaceful solutions to controversies via international law." He added that he plans to verify "in practice the viability of the road to peace."

"There are things about which I do not know," said Nebot referring to secret elements of the peace negotiations with Peru, which are only known by President Duran-Ballen and Foreign Minister Galo Leoro. He said one must be in the presidency to know about all this.

Ecuador and Peru have a border conflict in the Cenepa River region, 350 km south of Quito, where 78 km of unmarked border have been the scene of frequent armed clashes between the two countries.

This is an inhospitable Amazon valley where the two countries waged war from 26 January to 28 February 1995.

When asked about his opponent Bucaram, Nebot said: "I believe and I will die believing that good sense must prevail over foolishness, that good schooling must prevail over poor schooling, and that one's background must prevail over positions of simple convenience."

Nebot said: "I tell the people that with Bucaram the country will be in worse condition than with Duran-Ballen and Alberto Dahik" — the ex-vice president who is a fugitive from justice and who lives in political "asylum" in Costa Rica, and who is wanted by Ecuadoran justice for corruptly using discretionary funds.

Nebot reiterated his call for a public, serious, and thorough debate with Bucaram. Nebot made it clear, however, that he does not plan to eat him alive because "I am not a cannibal" and because "I don't want indigestion."

Nebot is in favor of talking "with absolutely every" political movement to enable him to carry out his political

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proposals if he is elected president. He warned, however, that understandings will be "public, transparent, and without bribes."

Nebot said that when he takes over the government, he will not impose more taxes or fuel price increases on the population. He added: "Not just because the people cannot pay, but because it is not economically right and would harm investments and growth."

He added that he will cut unnecessary spending, give priority to investments, and collect taxes more efficiently. He added that he may put tax evaders in jail to help put the economy in order.

Ecuador: Army Commander Views Talks With Peru

PY2305220196 Madrid EFE in Spanish 1922 GMT 23 May 96

[FBIS Translated Text] Quito, 23 May (EFE) — Ecuadoran Army Commander General Paco Moncayo today asked the new government that will be installed following the runoff presidential election in July to continue the negotiation process with Peru, which has been in effect since the war between the two nations early in 1995.

Paco Moncayo told the press that relations with Peru "cannot be modified by every government" that assumes power. They "must have continuity and be handled with the greatest responsibility."

He said the new government leaders "must continue the process in which Ecuador is committed," because "Ecuador has signed agreements" with its neighbor Peru.

Candidates Jaime Nebot of the Social Christian Party (PSC) and Abdala Bucaram of the Ecuadoran Roldosist Party (PRE), will dispute the presidency in the runoff on 7 July.

Ecuadoran Foreign Minister Galo Leoro Franco reports that the Ecuadoran Government, currently headed by President Sixto Duran-Ballen, will brief the two presidential hopefuls on the territorial conflict with Peru.

Ecuador: Duran-Ballen Invites Candidates to Meet

PY2405030696 Quito Voz de Los Andes in Spanish 2300 GMT 23 May 96

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen has invited the two candidates who will dispute the Ecuadoran presidency in the runoff elections to participate in informative meetings that will guarantee a political transition process between the outgoing and incoming administrations.

He has invited presidential hopefuls Jaime Nebot of the Social Christian Party and Abdala Bucaram of the Ecuadoran Roldosist Party, to brief them on current government policies and actions so that they will be able to fully govern from the very first day of their term in office.

Ecuador: No More Politics as Usual Urged

96SM0318A Quito HOY in Spanish 20 May 96

[Commentary by Francisco Rosales Ramos: "The Fifth Government" — received via Internet]

[FBIS Translated Text] The citizens of Ecuador yesterday designated those persons from among whom they will elect the president and vice president of the Republic for the 1996-2000 term. By so doing, they opened the way for the fifth democratically elected government since 1979 to take office, at which time Ecuador will have entered the longest period of political stability in its history.

Apart from the weaknesses that the system has revealed during these past 17 years, and despite the obvious deterioration in the quality of political activity—and of many of the participants in that activity—the election at least marks the beginning of a period of stability, which is the indispensable requisite for economic development and social progress. The countries of Latin America that have made the most rapid progress are those that have experienced long periods of stability—including de facto governments—and that have adopted long-range programs and policies.

Of course, elections for the head of state and Congress do not by themselves constitute clear evidence of a democratic way of life, but it is important to make a beginning.

The most serious defects of Ecuador's governments and congresses have been their tendency to improvise, their lack of national goals, their scant ability to engage in dialog, their alienation of the citizenry, the decreasing level of intellectual ability and integrity among many deputies and certain high-ranking government officials, the uncontrolled growth of the bureaucratic establishment, and—perhaps most serious of all—the corruption within the justice system.

The nation has been buffeted by heavy seas without having succeeded in setting its course. Instead, it has been guided by the personal decisions of chief executives and cabinet ministers, and on not a few occasions by their selfish desires and interests. All four governments have been guilty of utilizing public resources inefficiently and of wasting everyone's money, although admittedly in varying degree.

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Now that Ecuador is setting its course for the 21st century, it is obliged to make radical changes in its political practices, and especially in the mentality and attitude of its leaders. Its basic tasks should be national in character rather than group or partisan efforts, and the negativity—which sometimes approaches cannibalism—cannot continue to be standard practice in our country. Some foreign observers are surprised at the level of controversy that prevails among our political leaders and the destructive zeal that is reflected in their actions. If this attitude does not change, and if the nation does not become more positive and less conflictive and does not seek dialog more assiduously in the quest for a consensus, government activity will increasingly be an uphill battle and the country will continue to lag behind its neighbors and the South American subcontinent.

The electoral process—whose first phase was concluded yesterday—has been less violent than previous campaigns but has nonetheless been characterized by negativism. In their proclamations, the candidates have attacked their opponents instead of emphasizing their own merits or plans. This attitude has gone to such an extreme that the major controversy involving the so-called Center-Left has been its internal struggle to select the candidate who would have the best chance to defeat the candidate of the Center-Right. Even former presidents of the Republic who are regarded as intellectuals and as wise and mature politicians have played leading roles in this "dog-eat-dog" competition. What more discouraging demonstration of negativism could there be, when the sole objective of almost all of the candidates has been to prevent the Right from taking power, and for this purpose they have not hesitated to form hasty alliances of whatever nature.

The decisive phase of the campaign begins today. Whatever the two finalists do—or fail to do—will be of importance not just until 7 July (the date of the second round) but beyond, because it will determine whether Ecuador is finally showing signs of maturity and lighting the light of hope, or whether our country will continue to be immersed in street quarrels and in a smallness of mind and spirit. And an accounting will have to be demanded of those who are responsible.

Paraguay

Paraguay: Editorial Notes Implications of Oviedo Trial

PY2305163696 Asuncion NOTICIAS in Spanish 22 May 96 p 18

[Editorial: "The Jurisdiction To Try Lino Oviedo"]

[FBIS Translated Text] The Military judge has asked the criminal court to hand over the dossier on the investigation into the recent crisis provoked by Lino Oviedo's rebellion. The criminal judge hearing the case has decided not to separate himself from the case, considering he still has jurisdiction over it.

At this stage we assume we have a conflict of jurisdictions because the military judge will insist on bringing the trial into the military sphere. Thus, the Supreme Court must decide which authority will try General Lino Oviedo.

The attitude of the magistrate to defend his authority in the case is praiseworthy, refuting rumors that he wanted to drop a case that will make a lot of noise and may carry some risks. He showed integrity in resisting pressures exerted on him. Obviously there is interest in placing the pre-trial inquiry under a military judge.

Public opinion is suspicious of the results if the case is heard by a military judge. There are good reasons for this. The composition of the tribunal that will decide on Oviedo's behavior is cause for concern because his judges will be officers who served under the orders of one who is now a retired general. These eventual judges are even suspected of liking him. If this happens, it will be hard to convince the people of their impartiality. Besides, the esprit de corps of Armed Forces members may become a determining factor when establishing responsibilities.

We must also point out that an in-depth investigation into the events on 22 April and following days might bring up additional developments that involve more officers. If this is the case, military chiefs playing the role of judges will be unlikely to carry out a full investigation.

It is true that the court decision must strictly follow juridical criterion, but there are reasons that might tilt the decision one way or another. An initial review of the case shows violations in military as well as civilian spheres. There is a constitutional disposition, Article 174, which states that if there is doubt as to whether a crime is civil or military, it will be considered civil.

The issue that must be decided is very important. Public opinion demand that the grave hours of unrest and fear that the country experienced will not be shelved without attributing responsibilities and without the appropriate punishment.

Peru

Peru: Fujimori Affirms Economic Reforms, Antiterrorism

PY2305134396 Madrid EFE in Spanish 0241 GMT 21 May 96

[FBIS Translated Excerpt] New York, 20 May (EFE) — Today in New York Peruvian President Alberto

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Fujimori confirmed the continuity of the economic reforms implemented by his government and upheld the Peruvian antiterrorist policy. Fujimori also upheld democracy and the respect for human rights.

In a speech made during a dinner party offered by the "Foreign Policy Association," Fujimori listed his government's economic achievements and promised to continue the economic reforms during his second mandate as well as the struggle against terrorism.

As he referred to terrorism, Fujimori said that "we were forced to adopt drastic measures by an incredibly brutal and cruel enemy but we have won the battle and continue to strongly uphold democracy and the respect for human rights." [passage omitted]

Peru: Fujimori Urges Early Talks With Ecuador

PY2305163496 Madrid EFE in Spanish
2210 GMT 22 May 96

[FBIS Translated Excerpt] Washington, 22 May (EFE) — Peruvian President Alberto Fujimori today expressed his desire to begin as soon as possible negotiations with Ecuador on the border conflict that led to war last year.

In a news conference during the third meeting of newspaper directors at the annual meeting of the International Federation of Newspaper Publishers, President Fujimori said he wants the Peruvian and Ecuadoran foreign ministers meet as soon as possible.

The meeting will be held in Buenos Aires. The date will be set as soon as the current electoral process in Ecuador concludes.

Regarding the alleged sale of Argentine weapons to Ecuador during the military conflict with Peru, Fujimori said he expects an explanation from Argentine President Menem at the appropriate time.

Fujimori said reports of the sale of Argentine weapons to Ecuador "caused uncertainty in Peru," because Argentina is a guarantor country which reportedly violated a weapons embargo when the two countries were at war.

"I trust Menem," said Fujimori regarding the explanations he expects to get from the Argentine president.

Fujimori also rejected the idea that Peru has not done enough in the struggle against drug trafficking. He said U.S. General Barry McCaffrey knows about the efforts by the Peruvian Government. [passage omitted]

Peru: Fujimori on Desire To Become 'Andean Tiger'

PY2305181996 Madrid EFE in Spanish
1915 GMT 21 May 96

[By Carlos Martos]

[FBIS Translated Text] Washington, 21 May (EFE) — Today in Washington, Peruvian President Alberto Fujimori voiced Peru's desire to become the "Andean Tiger," because it shares with its Asian partners a responsibility for growth, development, productivity, and "hard work."

During the "Economic Cooperation in the Pacific Basin" conference, Fujimori noted that many Latin American countries have started to follow the Asian example.

The chief of state asserted that now, more than ever before, Latin America is part of the world economy.

Fujimori said: "In a few years we have stabilized our economy, applied law and order in the cities and rural areas, and fulfilled our commitments as members of the international financial community. The seeds for the creation of the Andean Tiger have been sown."

Referring to achievements in the economic field, he noted that inflation in Peru, which in 1990 amounted to 7,000 percent, is down to 11 percent, while "economic growth is hitting 'record' levels."

Fujimori said his policy involves removing state control from enterprises: He mentioned the privatization of 98 public enterprises.

In the political field he said Peru suffered from terrorism and that to bring peace to the cities and rural areas there was no alternative but to adopt drastic measures "against an incredibly brutal enemy."

After noting that the battle has been won, and one of the most painful chapters of Peruvian history closed, Fujimori said: "Our commitment with human rights and democracy continues to be strong."

In the social field he said that macro-economic reforms alone are "insufficient" and that "impressive" short-term statistics are unimportant unless the living standards of all Peruvians improve.

Fujimori said the Peruvian economic program is mainly focused on "reducing poverty" and "attaining economic justice."

He added: "Without that commitment and a sense of hope, no society can be really stable and firm in its search for growth and modernization."

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Fujimori again referred to the economic development of the Asian countries, saying that the "Tigers" of southeastern Asia have proven to the world that "results, rather than ideology, are what count."

He said: "The important thing is whether or not decisions are right, whether or not they work. The countries of the Pacific basin are countries of action, and Peru follows their example."

Fujimori asserted: "Our efforts are moved by a strong desire to establish a consensus in the Pacific, based on efficiency, without discrimination, but with equality and opportunities."

Addressing the auditorium he said: "I hope you will accompany Peru in its efforts to discover and participate in the creation of the Andean Tiger."

Earlier, accompanied by Hillary Clinton, the U.S. President's wife, Fujimori participated in the opening of an exhibition sponsored by the "National Geographic Society" of the "Ampato Lady," a young woman who was sacrificed to Inca gods five centuries ago.

The Peruvian president will end his three-day private visit to the United States on 22 May with a lecture on the Peruvian socio-economic development before the IDB executive board.

During his stay in New York, Fujimori confirmed the economic reforms and upheld his government's policy against terrorism and voiced support for democracy and respect for human rights.

Peru: Fujimori Returns From U.S. Visit

PY2305195696 Lima Radio Programas del Peru Network in Spanish 1700 GMT 23 May 96

[FBIS Translated Text] President Alberto Fujimori returned this morning after a five-day visit to the United States.

In New York, the chief of state disclosed the possibilities and advantages Peru offers foreign investors in the various fields.

During his stay in New York, Fujimori also announced that Peru has completed negotiations regarding the so-called term sheet with the international banking sector within the Brady Plan.

The chief of state arrived at Air Group No. 8 airport with Labor Minister Jorge Gonzales Izquierdo, Foreign Minister Francisco Tudela, Mines and Energy Minister Daniel Hokama, legislators, and others.

Uruguay

Uruguay: President Leaves 23 May on European Tour

PY2305213496 Madrid EFE in Spanish 1722 GMT 23 May 96

[FBIS Translated Excerpt] Montevideo, 23 Mar (EFE) — Uruguayan President Julio Maria Sanguinetti left today for Italy on the first leg of a tour of some European countries, among them Romania and Austria. Sanguinetti's state visit to these countries seeks to enhance bilateral relations and attract tourists and investments.

The Uruguayan head of state flew to Italy accompanied by his wife Martha Canessa and an entourage of ministers, congressmen, and businessmen, aboard a commercial airline from Carrasco International Airport at 1230 (1530 GMT) and will arrive in Rome in the early hours of 24 May.

During his state visit to Italy, Romania, and Austria — which will end on 2 June — Sanguinetti will meet with top authorities of these countries and representatives of business and tourism organizations. He will promote Uruguayan culture by inaugurating several exhibitions and will visit the Italian city where his ancestors lived. [passage omitted]

On 29 May, the Uruguayan president is scheduled to depart from Genoa to Bucharest, where he will start his official activities the following day. Sanguinetti's schedule in Romania includes meetings with President Ion Iliescu and Prime Minister Nikolae Vacaroiu, and a ceremony in which he is to be awarded an honorary University of Bucharest degree.

Sanguinetti will travel to Vienna on 31 May. He will first go on an outing and then meet his Austrian counterpart Thomas Klestil. In the evening, Sanguinetti will go to the opera.

On 1 June, the Uruguayan chief executive and his wife will visit museums and the Spanish Riding School. During the afternoon, Sanguinetti will deliver a speech at a symposium on the Southern Cone sponsored by the Austrian Institute for Latin American Affairs.

During Sanguinetti's stay in Vienna, the Technological Laboratory of Uruguay (LATU) and the Austrian Quality System (OEQS) will sign a memorandum of understanding to mutually certify quality standards automatically acknowledged by both countries.

Uruguayan exports will thus enter EU countries with Austrian certification since Austria is a member of the so-called "Eqnet System," the quality standards system used by the 15 EU members.

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That evening, Sanguinetti and his entourage will leave for Montevideo, where they will arrive on the morning of 2 June.

Suriname

Suriname: DA91 Head Urges Commonwealth With Netherlands

BR2305131396 Rotterdam NRC HANDELSBLAD in Dutch 21 May 96 p 3

[Report by Hans Buddingh: "Jessurun: 'Bouterse's NDP Party Serves Its Own Interests'"]

[FBIS Translated Text] Paramaribo, 21 May — "The situation in Suriname is much more serious than people think." Winston Jessurun, leader of the Democratic Alternative (DA91), is concerned that "the informal forces are much stronger than the legitimate powers" in Suriname. These are economic, political, and armed forces with links with organized crime.

The 44-year-old plastic surgeon has just returned to party headquarters following a lively rally at the Kwakoe Statue on Sophie Redmontstraat, attended by some 4,000 Creoles, Maroons, Hindustani, Javanese, and every possible combination of these.

DA91 is described as the D66 [Democrats '66] of Suriname. The party was set up five years ago by a group of young intellectuals who wanted nothing to do with the "old" politics of ethnic patronage. At the 1991 elections DA91 won 9 seats in the 51-seat Surinamese Parliament.

DA91's success was in part made possible because the party included Hindustani, Javanese, and Maroon groups in its ranks. The Hindustani and Javanese groups have broken away, but some of the party leaders from these groups have stayed. The party draws its support from all social classes. "We came into existence as the voice of the silent majority who know that things can be different," says Jessurun.

Earlier in an impassioned speech from the stage at the rally, he described the NDP [National Democratic Party] of former Army leader Bouterse as a party "serving its own interests" which brought the country "to disaster." The NDP is "a waste of time" and the ruling New Front is a party "of the past."

His T-shirt with the party emblem is still covered in sweat as Jessurun arrives at the less hectic party offices on the Gravenstraat. He has little hesitation in describing many NDP members as "opportunists and criminals." Jessurun stresses that the real party "bosses" are not on the list of candidates for the National Assembly. They pull the strings from behind the scenes and that is what they want to keep on doing. It would therefore come as no surprise to Jessurun if Bouterse did not stand as a candidate in the parliament's presidential election. "These people do not really want any relations with another country. They want to keep Suriname closed off in order to continue with their activities."

Jessurun also believes that the informal forces are strongly represented in the Hindustani Progressive Reform Party (VHP), a part of the governing New Front. "The informal forces have the ear of ministers." But this would not prevent DA91 from possibly discussing a coalition with the New Front.

Jessurun gives the examples of fishing off the Surinamese coast and gold-mining. Despite years of talking about setting up a coastguard service to protect fisheries nothing has been done. This means that fish stocks off the Surinamese coast are being illegally depleted by foreigners, who have their accomplices in Paramaribo.

Jessurun believes that a different relationship with the Netherlands would be required to really get to grips with the informal forces. Hence DA91's call for a commonwealth with the Netherlands. Jessurun sees a commonwealth as nothing more and nothing less than The Hague giving more force to the present Framework Treaty between the Netherlands and Suriname. DA91 sees the commonwealth as an agreement under international law between two sovereign nations which can be terminated by either of the parties.

DA91 believes that support from the Netherlands for better enforcement and administration of justice is essential. And if Suriname experiences economic difficulties through tackling the informal forces, due to the disappearance of a major illegal source of currency, the Netherlands must provide temporary assistance. Jessurun's party is calling for a "monetary accord"' in this respect.

DA91 believes that "war must be declared" on the informal forces in Suriname. DA91's election pamphlets include the following text: "Vote as if your life depended on it. Your last chance this century."

Suriname: Results Show NDP Winning 'Less Strongly'

LD2405095496 Hilversum Radio Netherlands in Dutch 0800 GMT 24 May 96

[FBIS Translated Text] In the Surinam parliamentary elections, former army leader Bouterse's National Democratic Party [NDP] appears to be winning far less strongly than was expected. According to provisional results, his party is getting about 25 percent of the vote. President Venetiaan's Nieuw Front government coalition will incur considerable losses but does remain the biggest party. One-third of the votes have now been counted. It could be hours before the definitive result becomes known because counting is very slow.

Bouterse's NDP is disappointed about the provisional results and is calling the elections into question. A spokesman believes that the ink in which voters dip their little finger when they vote has been tampered with.

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